STATE OF WASHINGTON

MIKE KREIDLER
STATE INSURANCE COMMISSIONER



Phone: (360) 725-7000 www.insurance.wa.gov

# OFFICE OF THE INSURANCE COMMISSIONER REGULATORY INVESTIGATIONS UNIT

November 8, 2018

Health Plan Intermediaries Holdings Attn: Mr. D. Garavuso 15438 N. Florida Avenue, Suite 201 Tampa, FL 33613 813-200-8000

OIC Case #: 1593742

Dear Health Plan Intermediaries Holdings representative:

This letter is to advise you that the Office of the Insurance Commissioner ("OIC") is investigating a complaint against you. The complaint was filed by the OIC who alleges that Health Plan Intermediaries Holdings ("HPIH") may have sold unauthorized products to Washington residents, allowed unaffiliated producers to represent your agency in the soliciting and /or sale of insurance, and misrepresented the products sold.

I have been assigned to investigate this matter. As part of the investigative process, I am requesting that you provide this office with a written response to the allegation. Specifically, please address the following issues:

- 1. Identify all doing business as ("dba") names used by HPIH.
- 2. Identify all subsidiaries of HPIH.
- 3. Identify all entities that have one or more common directors, officers, trustees, or managers with HPIH.

Also, please provide this office with copies of the following documents:

- In the form of an Excel spreadsheet, a list of all Washington consumers who purchased insurance and/or non-insurance products and services from January 1, 2016 to present. The spreadsheet shall include the following data for each product, service, and charge:
  - a. Name of the consumer
  - b. Address
  - c. Total amount paid by the consumer for all products, services, and charges from inception to present
  - d. Product, service, or charge type
  - e. Insurer or Entity that provided the product or service

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255 Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

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- f. Policy or identification #
- g. Date of application
- h. Effective date
- i. Name of product or service
- j. Amount collected from the consumer specific to the product, service, or charge from inception to present
- k. Total premium amount, product cost, or fee from inception to present
- Total amount sent to the Insurer or Entity, or an Administrator on behalf of the Insurer or Entity, from inception to present
- m. Name of Administrator if funds were not sent directly to the Insurer or Entity
- n. Identify all involved Producers and/or Marketing Entities
- o. Identify all involved Associations
- p. Amount retained by or on behalf of HPIH and its subsidiaries
- q. Amount paid to Producers
- r. Amount paid to Associations
- 2. A copy of all agreements between HPIH and each Insurer, Entity, Administrator, Producer, Marketing Entity, and Association named in the spreadsheet.
- 3. A copy of all manuals, guidance, and written correspondence related to processes, procedures, and expectations specific to marketing and sales that HPIH supplies to the Producer(s) that interact with consumers.
- A copy of all marketing scripts created by or on behalf of HPIH and used from January 1, 2016 to present.

Please provide your written response and copies of the above listed documents by December 3, 2018. Also, please be aware that RCW 48.17.475 requires that licensees promptly reply in writing to an inquiry of the commissioner relative to the business of insurance within fifteen business days from the receipt of the inquiry. Failure to make a timely response constitutes a violation of this section. RCW 48.17.470 (2) requires insurance producer to retain records for five years.

We appreciate your cooperation in this matter. I may be reached directly at (360) 725-7045 for further information.

Sincerely,

9489 0090 0027 6021 4948 86

Harvey Churchill, CFE Senior Investigator

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255 Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 3 of 761 PageID 405

From: <u>Kate McCown</u>

To: <u>Bullington, Jessica (OIC)</u>

Cc: <u>Christy Neighbors</u>; <u>Scott Farmen</u>; <u>Churchill, Harvey (OIC)</u>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Date:** Thursday, March 21, 2019 10:09:24 AM

Attachments: <u>image001.png</u>

350300 USA WA Mbrs 03.20.2019 MC GM.xlsx

Good morning Ms. Bullington,

Attached please find a spreadsheet with the data requested for these Washington members. The column showing total commissions paid is in column N (\$2,974.80 total).

- 1. What was the gross monthly premium? The gross monthly premium for each member is shown in columns G and I. Please note column I represents a rate increase.
- 2. What was the gross premium for the term of the policy? The gross monthly premium for the term of the policy is reflected in column M.
- 3. Did the Company receive the gross premium or the net premium after commission was retained? Please see 'a.' below.
- a. If the Company received the gross premium, how much commission was paid and who was the commission paid to? The gross premium of a flat 13% was divided equally between the agents of record: Team Corp, and Gordon Williamson who transitioned payment to Insurance Brokerage Services.
- b. If the Company received the net premium, what was the net premium received by month and for the entire term? N/A
- 4. What entity did the Company receive the premium payments from? United Service Association (USA+)

Please let us know if you have any additional questions.

Thank you,

**Kate McCown, CHC, LLIF | Ameritas Group® |** Vice President and Compliance Officer 475 Fallbrook Blvd, Lincoln, NE 68521 | p: 402-309-2019 | f: 402-309-2573 | <a href="mailto:kmccown@ameritas.com">kmccown@ameritas.com</a>

From: Bullington, Jessica (OIC) < <a href="mailto:JessicaB@oic.wa.gov">JessicaB@oic.wa.gov</a>>

Sent: Thursday, February 28, 2019 6:22 PM

**To:** Christy Neighbors < <a href="mailto:Christine.Neighbors@ameritas.com">Christine.Neighbors@ameritas.com</a>>; Scott Farmen

<<u>SFarmen@Ameritas.com</u>>

Cc: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Importance:** High

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 4 of 761 PageID 406

information from Ameritas Life Insurance Company ("the Company"). Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

- 1. What was the gross monthly premium?
- 2. What was the gross premium for the term of the policy?
- 3. Did the Company receive the gross premium or the net premium after commission was retained?
  - a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?
  - b. If the Company received the net premium, what was the net premium received by month and for the entire term?
- 4. What entity did the Company receive the premium payments from?

Also, please provide a sample of all versions of the policy that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

Please provide your response as soon as possible and no later than **March 22, 2019**. If you have any questions, my contact information is below and I would be happy to assist you.

## Sincerely,



## Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

www.insurance.wa.gov | twitter.com/WA OIC | wainsurance.blogspot.com | email/text alerts

## Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

File #1593742 Exhibit #4Ai Page 2 of 3

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 5 of 761 PageID 407

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### **Secured Message**

Reply

ReplyAll

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From: Schneider, Paula < Paula. Schneider @ American National.com >

"'jessicab@oic.wa.gov'" <jessicab@oic.wa.gov> To:

03/22/2019 06:23:00 AM PDT Date: Subject: Response File #153742 Attachments: HII DOI Response.pdf

Thank you,

Paula Schneider, ALMI, ACS Mgr, Health Policy Change Phone: 281-521-3370

Fax: 409-621-3999

Email: paula.schneider@AmericanNational.com

American National has changed its email addresses to FirstName.LastName@AmericanNational.com. Please update my email address in your contact list, if applicable, at your earliest convenience.

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Standard Life Health Policy Service • PO BOX 10746 • Springfield, MO 65808-0746 • 1-888-350-1488

March 21, 2019

Washington State Office of the Insurance Commissioner Jessica Bullington
Regulatory Investigations Unit
Legal Affairs Division
P.O.Box 40255
Olympia, WA 98504-0255

Your File #:

153742

Our ID #:

315358

FEIN #:

73-0994234

NAIC #:

86355

### To Jessica Bullington:

I am in receipt of the complaint submitted against Standard Life and Accident Insurance Company. I have reviewed the file thoroughly and noted the following information.

- For the following policies, the gross monthly premium is \$330.50.
- Policies are guaranteed renewable as long as insured continues to pay premiums. Rates will change based off attained age and/or any state approved rate increases. Gross premium on policy will vary based on how long insured continues to pay premium.
- We received gross premium and payed out commissions to Health Insurance Innovations reference the attached for breakdown.
- The company received premium payments from Health Insurance Innovations
- All consumers had the same form, a sample is attached

Continued	next	page		
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Standard Life Health Policy Service • PO BOX 10746 • Springfield, MO 65808-0746 • 1-888-350-1488

la Schneider

March 21, 2019

I trust the above information and enclosed documentation will resolve this inquiry to everyone's satisfaction. If you have any additional questions, please feel free to contact me or you may call our Customer Service Department at 1-888-350-1488.

Sincerely,

Paula Schneider, Manager Health Policy Change

Phone# 409-763-4661, x3370

Fax# 409-621-3999

paula.schneider@americannational.com

**Enclosures** 

871000037         C06PQ         HIII         78.52         2018           871000040         C06PQ         HIII         8.58         2019           871000040         C06PQ         HII         85.8         2018           871000042         C06PQ         HII         33.5         2019           871000051         C06PQ         HII         20.52         2018           871000123         C06PQ         HII         0         2018           871000190         C07PR         HII         0         2018           871000235         C06PQ         HII         4.94         2019           871000235         C06PQ         HII         12.35         2018           871000235         C06PQ         HII         14.3         2019           871000241         C06PQ         HII         14.3         2019           871000308         C06PQ         HII         109.52         2018           871000333         C06PQ         HII         122.72         2019           871000333         C06PQ         HII         8.12         2018           871000345         C06PQ         HII         8.12         2018           871000345<				Net Comm.	
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	871000453	C06PQ	HII	9.6	2018

## Standard Life and Accident Insurance Company

Home Office: One Moody Plaza, Galveston, Texas, 77550
Toll-Free Telephone Number: 1-888-350-1488
(A Stock Insurance Company hereafter referred to as "Standard Life", "We", "Us", "Our" or "the Company")

### CRITICAL ILLNESS INSURANCE POLICY

We pay benefits in accordance with all the terms and conditions of this Policy when a Covered Person is Diagnosed with a Critical Illness. This Policy is a legal contract of insurance. This Policy is non-participating. THIS POLICY PROVIDES NO BENEFITS OTHER THAN FOR A CRITICAL ILLNESS. READ IT CAREFULLY.

**CONSIDERATION** - This Policy is issued in consideration of the statements made in the Application and payment of the Initial Premium. Coverage is not provided until the first full premium is paid. The first premium pays for the Initial Term of coverage. The Initial Term of coverage begins at 12:01 a.m. on the Policy Date shown in the Policy Schedule of Benefits. Coverage is continued in accordance with all of the provisions of this Policy.

IMPORTANT NOTICE CONCERNING STATEMENTS IN YOUR APPLICATION - You should carefully read Your Application and all documents attached to this Policy. Omissions or misstatements in Your Application or any attached documents may cause Us to deny an otherwise valid claim or rescind coverage. Carefully check all documents. You must advise Our Underwriting Department in writing within 10 days of Your receipt of this Policy if You determine that any information or medical history is incomplete, incorrect, or has changed since the date of Your Application.

YOUR 30 DAY RIGHT TO EXAMINE POLICY. Within 30 days after You get this Policy, You may return it in person or by regular mail to the Company, its agency office or the Producer who sold it to You, if for any reason You decide You do not want it. The Company will promptly return Your premium to You. If We do not return the premium within 30 days after You return the Policy to Us or Our Producer, We will add an additional 10% penalty to the premium refund due. Then, You and the Company will be in the same position as if a Policy had never been issued.

GUARANTEED RENEWABLE AT THE OPTION OF THE POLICYHOLDER – SUBJECT TO PREMIUM IN EFFECT AT THE TIME OF RENEWAL. You have the right to continue this Policy in force subject to the termination provisions and Your continued payment of premium in accordance with all the provisions of this Policy.

PREMIUMS ARE SUBJECT TO CHANGE - Please refer to the section titled PREMIUMS.

This Policy is signed below on behalf of Standard Life by its duly authorized officers.

Secretary Preside

### THIS IS A LIMITED BENEFIT HEALTH INSURANCE POLICY.

POLICIES OF THIS CATEGORY ARE DESIGNED TO PROVIDE LIMITED OR SUPPLEMENTAL BENEFITS. THIS POLICY DOES NOT PROVIDE FOR REIMBURSEMENT OF ANY MEDICAL EXPENSES. BENEFITS PROVIDED ARE A SUPPLEMENT, AND NOT INTENDED AS A SUBSTITUTE FOR MEDICAL EXPENSE COVERAGE OR DISABILITY INSURANCE. PLEASE READ THIS POLICY CAREFULLY!

THIS IS NOT A MEDICARE SUPPLEMENT POLICY. If You are eligible for Medicare, You should review the *Guide To Health Insurance For People With Medicare* available from the Company.

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#### **DEFINITIONS**

AGE means a Covered Person's age on his/her last birthday.

ANGIOPLASTY means the actual undergoing of a percutaneous transluminal angioplasty deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. A Physician, board-certified as a Cardiologist, must perform the Procedure. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

AORTIC SURGERY means the actual undergoing of surgery for disease of the aorta needing excision and surgical replacement of a portion of the diseased aorta with a graft. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon, thoracic surgeon, or vascular surgeon. Aorta is limited to the thoracic and abdominal aorta, but not its branches.

CANCER IN SITU means a Diagnosis of Cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue. Cancer in Situ includes

- 1. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; and
- 2. melanoma not invading the dermis.

Cancer in Situ does not include

- 1. other skin malignancies; or
- 2. pre-malignant lesions (such as intraepithelial neoplasia); or
- 3. benign tumors or polyps.

Cancer in Situ must be Diagnosed pursuant to a Pathological or Clinical Diagnosis.

CLINICAL DIAGNOSIS means a Diagnosis of Invasive Cancer or Cancer In Situ based on the study of symptoms and Diagnostic test results. We will accept a Clinical Diagnosis of Cancer only if the following conditions are met:

- 1. a Pathological Diagnosis cannot be made because it is medically inappropriate or life threatening;
- 2. there is medical evidence to support the Diagnosis; and
- 3. a Physician is treating the Covered Person for Invasive Cancer and/or Cancer in Situ.

CLOSE RELATIVE means anyone related to a Covered Person by blood, marriage, or adoption; or a court appointed representative.

**COMA** means the diagnosis, by a Legally Qualified Physician board-certified as a Neurologist, that a Covered Person is in a state of unconsciousness:

- 1 from which he/she cannot be aroused;
- 2. in which external stimulation will produce no more than primitive avoidance reflexes; and
- 3. such state has persisted continuously for at least 96 hours.

No benefit is payable for Coma if Coma is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**COVERED PERSON** means each person named as a Covered Person on the Policy Schedule whose coverage under this Policy has not terminated.

CORONARY BYPASS SURGERY means the actual undergoing of coronary artery bypass surgery using either a saphenous vein or internal mammary artery graft for the treatment of coronary heart disease deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. The Procedure must be performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

CRITICAL ILLNESS means any of the medical conditions or procedures, shown in the Policy Schedule, that is first Diagnosed or first performed as the result of a Diagnosis, each made after the respective Covered Person's Policy Date.

**DATE OF DIAGNOSIS** means the date the Diagnosis is established by a Physician, through the use of clinical and/or laboratory findings as supported by the Covered Person's medical records. For a procedure, it is the date the Covered Person undergoes the procedure.

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**DEPENDENT** means Policyholder's family as follows:

- 1. The lawful Spouse\*; or
- 2. Children (whether natural, adopted or stepchildren) under age 26; or
- 3. Children for whom the Policyholder is required to provide insurance under a medical support order or an order enforceable by a court; or
- 4. Children under the age of 18 that the Policyholder is seeking to adopt through an appropriate legal action before a court of competent jurisdiction over matters of adoption.

\*The term spouse as used throughout this Policy will be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to marital relationships and married persons.

DIAGNOSIS - The definitive establishment by a Physician of the Critical Illness through the use of clinical and/or laboratory findings.

END-STAGE RENAL FAILURE means the chronic and irreversible failure of both of a Covered Person's kidneys, which requires the Covered Person to undergo periodic and ongoing dialysis. The Diagnosis must be made by a Physician.

FIRST OCCUR(S)/FIRST OCCURRING/FIRST OCCURRENCE means the occurrence, Diagnosis, or procedure is the first time ever in the Covered Person's lifetime that he/she has experienced such Critical Illness, been Diagnosed with that specific condition included as a Critical Illness, or undergone a specific procedure included as a Critical Illness.

HEART ATTACK means an Acute Myocardial Infarction resulting in:

- 1. the death of a portion of the heart muscle (myocardium) due to a blockage of one or more coronary arteries; and
- 2. resulting in the loss of the normal function of the heart.

The Diagnosis must be made by a Physician and based on both:

- 1. new clinical presentation and electrocardiographic changes consistent with an evolving heart attack; and
- serial measurement of cardiac biomarkers showing a pattern and to a level consistent with a Diagnosis of Heart Attack.

Established (old) Myocardial Infarction is excluded.

HEART VALVE REPLACEMENT/REPAIR SURGERY means the actual undergoing of open heart surgery to replace or repair one or more valves. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon.

INVASIVE CANCER means a malignant neoplasm, which is characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue through the basement membrane or capsule. "Invasive Cancer" includes, but shall not be limited to any form of:

- 1. Leukemia;
- Lymphoma; or
- Multiple Myeloma.

The following are not "Invasive Cancer":

- 1. pre-malignant lesions (such as intraepithelial neoplasia); or
- benian tumors or polyps; or
- early prostate cancer Diagnosed as T1N0M0 or equivalent staging; or
- Cancer in Situ; or
- any skin cancer (other than invasive malignant melanoma in the dermis or deeper or skin malignancies that have become metastatic).

Invasive Cancer must be Diagnosed by a by a Physician, board-certified as a pathologist pursuant to a Pathological or Clinical Diagnosis.

LIMITING AGE for Your children is 26 years of age.

MAJOR ORGAN means a Covered Person's entire liver, kidney, lung, heart, small intestine, pancreas, pancreas-kidney, bone marrow, or stem-cells. No other organ or system is included.

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MAJOR ORGAN TRANSPLANT means the placement of an entire Major Organ in a Covered Person, where such Major

1. originates in a person other than such Covered Person;

- is somewhat independent from all other parts of the human body; and
- 3. performs a special or unique function.

A Major Organ Transplant does not include the placement of a mechanical or man-made device or substance which is intended to serve as a substitute for or aid in the performance of the failed Major Organ; nor does it include Major Organ parts such as valves, ducts, arteries, and any other part of a Major Organ, which in and of itself provides no life sustaining purpose. For purposes of this definition, a Major Organ Transplant is considered to have occurred on the date a Covered Person is added to the United Network of Organ Sharing (UNOS) or the National Marrow Donor Program (NMDP) transplant list.

MAXIMUM BENEFIT AMOUNT means the eligible total of Benefit Payments for all Critical Illnesses as stated in the Policy Schedule, including all components of the Multiple Payment Benefit provision. RECURRENCE BENEFIT PAYMENTS ARE NOT INCLUDED IN THE MAXIMUM BENEFIT AMOUNT.

MEDICALLY NECESSARY means that, based on generally accepted current medical practice, a service is necessary and appropriate for the Diagnosis or treatment of a Critical Illness. We do not consider a service Medically Necessary if:

- 1. It is provided only as a convenience to the Covered Person or provider; or
- It is not appropriate treatment for the Covered Person's Diagnosis or symptoms;
- It exceeds (in scope, duration, or intensity) that level of care that is needed to provide safe, adequate, and appropriate diagnosis or treatment.

PATHOLOGICAL DIAGNOSIS means Diagnosis based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of Diagnosis must be done by a Physician who is a board certified pathologist and whose Diagnosis of malignancy conforms to the standards set by the American College of Pathology.

PARALYSIS means a Covered Person's complete and permanent loss of use, not including amputation, of two or more limbs through neurological injury for a continuous period of at least 180 days, confirmed by a Legally Qualified Physician board-certified as a Neurologist. No benefit is payable for Paralysis if Paralysis is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

PHYSICIAN means a person, other than You, a Close Relative, or a business or professional partner who is:

- 1. duly licensed to practice medicine in the jurisdiction where the Diagnosis is made, or the procedure performed where such jurisdiction is a continuing member of the United States of America or a territory within the jurisdiction of the United States of America (embassies, military zones, and similarly designated non-domestic extensions of the United States government are not included); and
- 2. acting within the scope of his/her license.

POLICY DATE means the date, shown in Your Policy Schedule, when coverage begins for the Covered Persons originally covered under this Policy. We use the Policy Date to determine the anniversary dates of coverage under this Policy. It also refers, separately, to the date We add a Covered Person to this Policy or when any change in coverage occurs.

POLICYHOLDER means You, the Applicant named in the attached Application, any successor thereof, or any person named to assume ownership privileges under this Policy after the original Policyholder's death. Such person, regardless of title, has exclusive ownership privileges under this Policy. These privileges include, but are not limited to, his/her right to change coverage under this Policy for themselves or any Covered Person.

PREEXISTING CONDITION means a medical condition relating to a Critical Illness, not otherwise excluded by name or specific description: (1) for which medical advice, testing, care, treatment or medication was given or was recommended by, or received from, a Physician within 12 months before the Covered Person's Policy Date; or (2) that would have caused a reasonably prudent person to seek medical Diagnosis or treatment within 12 months before his/her Policy Date. Critical Illness related to such a medical condition is not covered within 12 months of a Covered Person's Policy Date.

STROKE means any acute cerebrovascular accident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent. Transient ischemic attack (mini-stroke), head injury, chronic cerebrovascular insufficiency and reversible ischemic neurological deficits are excluded. The Diagnosis must be made by a Physician.

US, WE #948 or THE COMPANY means Standard Life and Accident Insurance Company (SLAICO).
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YOU or YOUR means the Applicant, named in the attached Application who is the Policyholder.

### BENEFIT

In accordance with all the terms and conditions of this Policy and upon Diagnosis providing evidence that a Covered Person has a Critical Illness First Occurring after the Covered Person's Policy Date, the Company will pay You the percentage of the Initial Benefit Amount shown in the Policy Schedule for the Diagnosed Critical Illness.

Benefits will be paid to You in a lump-sum. Benefits paid on behalf of each Covered Person will not exceed the Maximum Benefit Amount. Upon payment of the Maximum Benefit Amount on behalf of a Covered Person, coverage for such Covered Person will terminate.

Benefits are payable under this Policy for a Covered Person from each of the Benefit Categories shown in the Policy Schedule when such Covered Person is Diagnosed with a Critical Illness. However, the total benefit payable under each Category will not exceed the Initial Benefit Amount, also shown in the Policy Schedule.

If the first benefit paid from a Category is a 100% benefit, no further benefits for other Critical Illnesses under the same Category will be paid. If the first benefit paid under a Category is not a 100% benefit, subsequent benefits payable under the same Category will be paid as a percentage of the Initial Benefit Amount until the sum of all payments from that same Category equals the Initial Benefit Amount. Then, no further benefits will be paid under that Category, except as provided under the Recurrence Benefit.

**RECURRENCE BENEFIT** – In addition to all other benefits otherwise paid under this Policy, if a Category 2 & 3 Critical Illness for which a 100% benefit has been previously paid recurs more than 18 months following its First Occurrence and prior to the total paid benefits exceeding the Maximum Benefit Amount, We will pay a benefit of 25% of the Initial Benefit Amount paid for up to two (2) such recurrences.

However, for any benefit to be paid under this provision, coverage under this Policy must be in effect for the Covered Person on the date recurrence is Diagnosed and the Covered Person must have been treatment free (except for maintenance medication and follow-up visits) for 12 months prior to the recurrence.

**REDUCED BENEFIT PERIOD** - If a Category 1 Critical Illness is Diagnosed within 90 days of a Covered Person's Policy Date, the following Critical Illnesses will be limited to the respective maximum benefit percentage shown below. In addition, no other benefits for Category 1 Critical Illnesses will be paid.

Invasive Cancer - 10% Cancer In Situ - 2.5%

ADDITIONAL BENEFIT – If benefits under this Policy are paid when You have been Diagnosed as having any of the following Critical Illnesses: Invasive Cancer; Heart Attack; Stroke; Major Organ Failure; Coma; or Paralysis, more than 90 days after Your Policy Date, then an additional benefit equal to the value of 6 times the then current monthly premium for this Policy will be paid to You.

This Additional Benefit is provided only as the result of the First Occurrence of Your Critical Illness and does not apply to any claim made under the Recurrence Benefit or a claim made by any other Covered Person.

### **EXCEPTIONS and LIMITATIONS**

Benefits otherwise payable under the Policy are reduced 50% on the later of a Covered Person's Age 70 or his/her 5th Policy anniversary.

Unless the Covered Person's Critical Illness First Occurs or is Diagnosed while coverage is in force under this Policy, no benefit will be payable.

No benefit is payable for Coma if Coma is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

No benefit is payable for Paralysis if Paralysis is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

With the exception of benefits that may be paid on behalf of a Covered Person in accordance with the Recurrence Benefit #1593742 Exhibit #4B Page 10 of 21

- 1. The sum of benefits paid for a Covered Person under each Category shall not exceed 100% of the Initial Benefit Amount for each Category; and
- 2. The sum of all benefits payable for a Covered Person under this Policy shall not exceed the Maximum Benefit Amount shown in the Policy schedule.

Benefits will not be paid for Critical Illnesses in more than a single Category during any 180-day period. However, this does not apply to multiple benefit payments for Critical Illnesses within the same category, unless the Initial Benefit Amount has been paid.

In the event benefits for a Covered Person are paid for a Critical Illness and within 180 days the Covered Person is Diagnosed with a Critical Illness from another Category with no benefit paid, any recurrence of the latter Critical Illness will be treated as an original Diagnosis with benefits paid accordingly.

If two or more Critical Illnesses are Diagnosed at the same proximate time, the benefit paid will be based upon the Diagnosed Critical Illness providing the largest benefit.

The Company will NOT pay benefits for a Critical Illness, if it is caused by or results from:

- 1. Intentional self-inflicted injuries;
- 2. suicide, or any attempt at suicide, while sane or insane;
- 3. service in the armed forces or any auxiliary unit of the armed forces;
- 4. participation in the commission or attempted commission of a felony;
- 5. participation in a riot or insurrection;
- 6. alcoholism or drug addiction.

The Company will NOT pay any benefit for a Critical Illness if:

- 1. A Critical Illness is Diagnosed outside the United States or a covered procedure is performed outside the United States.; or
- 2. the Covered Person's date of birth, age or sex was misstated on the Application and at the correct date of birth, age or sex the Policy would not have become effective or would have terminated.

PREEXISTING CONDITION LIMITATION. Critical Illness caused by or relating to a Preexisting Condition is not covered for the first 12 months after the Policy Date of each Covered Person.

### ELIGIBILITY

**FAMILY MEMBERS.** The only members of Your family eligible for coverage under the Policy are You and Your eligible Dependents for which an Application and premium has been accepted by the Company. Each person must be acceptable to the Company based on its rules in effect at the time of the Application for each person's coverage. Covered Persons as of the Policy Date are shown on the Policy Schedule of Benefits.

ADDITIONAL FAMILY MEMBERS. You may add eligible members of Your family to the Policy after the Policy Date with the consent of the Company. Evidence of eligibility and insurability satisfactory to the Company must be furnished. Each person must be acceptable to the Company based on its rules in effect at the time of the application for each person's coverage. The renewal premium for this Policy may be increased by the premium required for the new family member. The addition of the new family member will be shown by an endorsement to this Policy. The Policy Date with respect to the new family member will be the Policy Date shown on the endorsement.

NEWBORN CHILDREN. Your newborn child is automatically covered from the moment of birth until such child is 31 days old. Coverage for newborns shall be the same as for all other covered Dependent children. If You do not have other covered Dependents and desire uninterrupted coverage, at the end of the 31 day period, You will have the option to add Dependent child coverage to Your Policy. You must notify the Company in writing within 60 days of such birth and pay the required additional premium (if any), in order to have coverage for the newborn child continue beyond such 31 day period.

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ADOPTED CHILDREN. An adopted child is automatically covered for the first 31 days from the date of placement for the purpose of adoption by You or the date of the entry of an order granting You custody of the child. Coverage for such child will be the same as for all other covered Dependent children. If You do not have other covered Dependents and desire uninterrupted coverage, at the end of the 31 day period, You will have the option to add Dependent child coverage to Your Policy. You must notify the Company in writing within 60 days of the date of placement or the date of the entry and pay the required additional premium (if any), in order to have coverage for the adopted child continue beyond such 31 day period.

Coverage for a child that is placed with You for adoption will continue in accordance with the provisions of the Policy, unless the placement is disrupted prior to legal adoption and the child is removed from placement.

NON-CUSTODIAL PARENTS. We will not deny eligibility of a child of a Covered Persons on the grounds that:

- 1. the child was born out of wedlock; or
- 2. the child is not claimed as a dependent on the Covered Person's federal income tax return; or
- 3. the child does not reside with the Covered Person or in the Covered Person's service area.

When a parent is required by court or administrative order to provide health coverage for a child, and the parent is eligible for family coverage under this Policy, The Company will:

- 1. Permit the parent to make application for the child to become a Covered Person under the Policy;
- 2. Permit the child's parent, who is not covered under the Policy, or the Department of Human Resources, in connection with its administration of the Medical Assistance or Child Support Enforcement Program, to make application to obtain coverage for the child, if the parent covered under the Policy fails to make application; and
- 3. Not terminate the child's coverage unless the Company is provided with satisfactory evidence that the court or administrative order is no longer in effect or the child is or will be enrolled in a comparable health plan through another insurer that will take effect not later than the effective date of the child's termination under this Policy.

### LOSS OF ELIGIBILITY

Eligibility for continuation of coverage under this Policy by a Covered Person ends on the date of the month that coincides with the date of the month shown on the Policy Schedule and occurs on such date next following the date of the event that causes such termination.

References to divorce or dissolution of marriage will apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law.

### RULES FOR ALL COVERED PERSONS - Coverage will end:

- 1. If this Policy is terminated in accordance with the section titled TERMINATION OF COVERAGE; or
- 2. If You fail to pay the required premium within the Grace Period.

## RULES FOR ADULT COVERED PERSONS - Coverage will end:

- 1. For Your spouse if there is a divorce;
- 2. If a mentally or physically disabled covered Dependent marries or becomes capable of self-support; or
- 3. If Your spouse is not a Covered Person at the time of Your death, We will end coverage for all Covered Persons.

If You are married and die and Your spouse is a Covered Person, Your spouse will become the Policyholder. However, no change in such person's benefit will occur without evidence of insurability acceptable to the Company.

### RULES FOR CHILD COVERED PERSONS - Coverage will end for a child when:

- 1. The child is no longer a dependent of Yours;
- The child attains the Limiting Age, except for the extension allowed by the section titled EXTENSION OF COVERAGE FOR SOME CHILDREN; or
- Neither You nor Your spouse remains covered under this Policy.

PREMIUM – We will adjust premiums if required under Our rules as of the date coverage ends for a Covered Person.

This will occur on a date consistent with the date coverage ends, as described above.

### EXTENSION OF COVERAGE FOR SOME CHILDREN

Attainment of the limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both:

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- 1. incapable of self-sustaining employment by reason of developmental disability or physical handicap; and
- 2. chiefly dependent upon You for support and maintenance.

Proof of such incapacity and dependency must be furnished to Us by You within thirty-one days of the child's attainment of the limiting age and subsequently as may be required by Us but not more frequently than annually after the two year period following the child's attainment of the limiting age. The premium will be on the same basis as that for an adult of like age and sex.

### TERMINATION OF COVERAGE

We can terminate a Covered Person's coverage under this Policy as of any of his/her premium due dates under any of the following conditions:

- 1. The Maximum Benefit Amount for such Covered Person has been paid;
- 2. Required premiums have not been paid in accordance with the terms of this Policy, or We have not received timely premium payments, subject to the Grace Period;
- A Covered Person has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact in applying for coverage or under the terms of this Policy, subject to the paragraph titled MISSTATEMENTS IN THE APPLICATION under General Provisions; or
- 4. A Covered Person ceases to be eligible for continued coverage under this Policy as described in the section titled LOSS OF ELIGIBILITY.

### **CONVERSION PRIVILEGE**

In certain cases, if coverage ends under this Policy a Covered Person will be able to buy a new Policy with the Company. We will issue it without regard to health status, but subject to the rules below:

WHO MAY CONVERT — The following persons whose coverage has ended under this Policy, may buy a new Policy: (1) a child who is no longer considered an eligible Dependent; (2) a former spouse, if there is a legal divorce; or (3) in the event of Your death, a Covered Person listed in the Schedule of Benefits if Your spouse is a Covered Person.

WHAT MUST BE DONE -- Written application and the first premium payment for the conversion policy shall be made to the Company not later than thirty-one (31) days after such termination. The premium for the conversion policy shall be determined in accordance with Our table of premium rates applicable to the age and class of risk of each person to be covered under that policy and to the type and amount of insurance provided.

THE NEW POLICY -- The new Policy will be similar to this Policy at the option of the Company. Loss for which benefits may be paid under this Policy will not be covered under the new Policy. The new Policy that We normally issue in accordance with this part may not yet be approved for use in the place where the person lives. In that case, the Company will not be obliged to issue a new Policy.

The conversion policy will cover the Covered Persons on the date his/her coverage terminates under this Policy. At the option of the Company, a separate conversion policy may be issued to cover any dependent.

The conversion policy will not exclude, as a Pre-Existing Condition, any condition covered by this Policy; provided, however, that the conversion policy may provide for a reduction of its benefits by the amount of any such benefits payable under this Policy after the individual's insurance terminates.

WHEN NOT AVAILABLE -- This part will be of no effect as to any Covered Person if coverage ends because: (1) You fail to pay a premium in the time allowed; or (2) the date the Covered Person performs an act or practice that constitutes fraud, or are found to have made an intentional misrepresentation of material fact, relating in any way to the Policy, including claims for benefits under the Policy.

### **PREMIUMS**

Premiums are due on the first day of each term that follows the Initial Term. This is called the Premium Due Date. The required premium will depend on Your premium class and attained age. We determine the premium class and attained age on each Premium Due Date. We will NOT CHANGE Your premium prior to Your first Policy anniversary, unless coverage that Your first Policy anniversary, when the change premiums anytime, and from the time, that We decide to change rates for persons in Your class or based on Your attained age.

Changes will apply to premiums due on or after the effective date of the change. The new rates will apply on a class basis or an attained age basis as determined by Us. We will give You 30 days notice before any premium change.

GRACE PERIOD -- There is a 31 day grace period for the payment of any premium. The Policy will stay in force during the 31 days. If a renewal premium is not paid on or before its due date, it may be paid during the following 31 days. If We do not receive the payment during this Grace Period, We will terminate coverage. Termination will be effective as of the end of the period for which premium was paid.

## **CLAIM PROVISIONS**

NOTICE OF CLAIM -- You must give the Company written notice of a claim. It should be given within 30 days after the occurrence or commencement of any loss covered by the Policy, or as soon thereafter as is reasonably possible. Notice given by You or on behalf of You or the Beneficiary to Us at our Home Office, or to any authorized Producer of the Company, with information sufficient to identify You, will be deemed notice to the Company.

**CLAIM FORMS** -- The Company will send You a claim form when Your notice of claim is received. If the form is not furnished within 15 days from the time You give notice, You may fulfill the proof of loss requirements by sending written proof covering the occurrence, the character and the extent of the loss for which claim is made within the time set in Proof of Loss.

PROOF OF LOSS -- You must give the Company written proof of loss within 90 days after such loss. If it is not reasonably possible to do so, the Company will not reduce or deny Your claim for being late if proof is given as soon as reasonably possible. It must, however, be given within one year from the time otherwise required, unless You are not legally capable.

TIME OF PAYMENT OF CLAIMS -- All benefits payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this Policy provides periodic payment will be paid no less than 30 days from date of receipt of due written proof of loss and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof of loss.

PAYMENT OF CLAIMS -- All benefits due under the Policy will be paid to You, Your beneficiary or Your estate. If they are payable to Your estate, the Company may pay such benefits, up to an amount not to exceed \$1,000, to any of Your relatives by blood or marriage who is deemed by the Company to be equitably entitled thereto. Any payment made by the Company in good faith pursuant to this provision will fully discharge the Company to the extent of such payment.

ASSIGNMENT – A Policyholder may assign all of his or her rights, privileges and benefits under the Policy without the consent of his or her designated beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of the Policy.

PAYMENT OF CLAIMS TO NONCUSTODIAL PARENT -- When You are the noncustodial parent of a dependent child covered under this Policy, We will:

- 1. Provide such information to the custodial parent as may be necessary for the child to obtain benefits under this Policy; and
- 2. Permit the provider or the custodial parent to submit claims for covered services without the approval of the noncustodial parent. If the provider submits the claim, the provider will obtain the custodial parent's assignment of insurance benefits or otherwise secure the custodial parent's approval.

CHANGE OF BENEFICIARY -- Unless the Policyholder makes an irrevocable designation of Beneficiary, the right to change a Beneficiary is reserved for the Policyholder, and the consent of the Beneficiary or beneficiaries is not required for the surrender or assignment of this Policy, for any change of Beneficiary or beneficiaries, or for any other changes in this Policy.

PHYSICAL EXAMINATIONS AND AUTOPSY -- The Company may have a Covered Person examined at its own expense as often as it may reasonably require while their claim is pending under this Policy and to make an autopsy in case of death where it is not forbidden by law.

**LEGAL ACTIONS** -- No action at law or in equity shall be brought to recover under the Policy for at least 60 days after You have given the Company written proof of loss in accordance with the requirements of the Policy. You cannot start such action more than 3 years after the date proof of loss is required to be furnished.

ILLEGAL OCCUPATION -- We will not be liable for any loss that results from a Covered Person engaging in an illegal occupation or committing or attempting to commit a felony.

OIC 8030 Horton 0774

#### **GENERAL PROVISIONS**

## ENTIRE CONTRACT -- The Entire Contract will consist of:

- 1. This Policy;
- Your Application and attached papers; and
- 3. Any riders, endorsements or amendments issued with or added to this Policy.

We will deem all the statements provided in any attached Application and attached supplements, except fraudulent statements, as representations and not warranties.

We provide coverage described in this Policy on the basis that all of the answers to the questions and all the material information contained in the documents are correct and complete. No Producer or employee, except an executive officer of the Company, has the authority to waive any of the requirements in the documents or waive any of the provisions of this Policy. Any changes must be attached to this Policy.

## TIME LIMIT ON CERTAIN DEFENSES --

### 1. MISSTATEMENTS IN THE APPLICATION --

After 2 years from the Covered Person's Policy Date, We may only use fraudulent misstatements in such Covered Person's Application to void coverage under this Policy or to deny any claim under this Policy incurred after such 2 year period.

### 2. PRE-EXISTING CONDITIONS --

No benefit for Critical Illness First Occurring more than 12 months after a Covered Person's Policy Date will be reduced or denied because a medical condition related to a Critical Illness existed 12 months before the Covered Person's Policy Date.

REINSTATEMENT -- Coverage terminates if You do not pay a periodic premium payment before the end of the Grace Period. Our later acceptance of premium, (or one of our authorized Producer's acceptance of premium) without requiring an application for reinstatement, reinstates coverage under this Policy.

We will require an application for reinstatement. We will subject all representations made in this application to all of the provisions of this Policy, including TIME LIMIT ON CERTAIN DEFENSES. If We approve the application for reinstatement, We will reinstate coverage as of the approval date of the reinstatement Application. If We do not approve the reinstatement and do not notify You in writing of the disapproval, We must reinstate coverage. The reinstatement will take place on the 45<sup>th</sup> day following the date of Our receipt of the application for reinstatement.

The reinstated plan only covers Critical Illness that First Occurs 10 days or more after the Covered Person's date of reinstatement.

In all other respects, the Covered Person's rights and Our rights will remain the same, except as stated in any application attached to the reinstated coverage.

We will apply any premiums that We accept for reinstatement to a period for which You have not paid premiums. We will not apply any premium to any period more than 60 days before the reinstatement date.

WE WILL NOT CONSIDER A REQUEST FOR REINSTATEMENT THAT YOU MAKE MORE THAN 180 DAYS AFTER YOUR COVERAGE UNDER THIS POLICY HAS TERMINATED.

NO ASSUMPTION OF LIABILITY -- Our payment of any claim does not mean We have assumed liability for future payments for the same condition or any related condition once:

- 1. We determine that no covered loss occurred; or
- 2. We determine that Our payment was erroneous or inappropriate.

MISSTATEMENTS OF AGE OR SEX -- If a Covered Person has misstated his age or sex, the benefits will be those the premium paid would have purchased if the correct age or sex had been disclosed. However, if on such Covered Person's Policy Date, We would not have granted coverage because of the Covered Person's correct age, We are only liable for the return of any premiums paid on account of such person.

CONFORMITY WITH STATE STATUTES -- Any provision of this Policy which, on the Policy Date, is in conflict with the laws of the state in which You reside is amended to conform to the minimum requirements of the laws of such state. Page 15 of 21

## **CRITICAL ILLNESS INSURANCE POLICY**

## THIS IS A LIMITED BENEFIT HEALTH INSURANCE POLICY.

POLICIES OF THIS CATEGORY ARE DESIGNED TO PROVIDE LIMITED OR SUPPLEMENTAL BENEFITS. THIS POLICY DOES NOT PROVIDE FOR REIMBURSEMENT OF ANY MEDICAL EXPENSES. BENEFITS PROVIDED ARE A SUPPLEMENT, AND NOT INTENDED AS A SUBSTITUTE FOR MEDICAL EXPENSE COVERAGE OR DISABILITY INSURANCE. PLEASE READ THIS POLICY CAREFULLY.

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SLA-CI11-WA

## PROTECTION FOR YOU AND YOUR INSURANCE POLICY THE WASHINGTON LIFE AND DISABILITY INSURANCE GUARANTY ASSOCIATION

#### **PREFACE**

This brochure briefly describes the coverage provided through the Washington Life & Disability Insurance Guaranty Association ("Association").

The Association is a nonprofit unincorporated legal entity created by the Washington Life and Disability Insurance Guaranty Association Act, Chapter 48.32A RCW ("Act"). Every life and disability insurance company authorized to do business in Washington is a member of the Association. A Board of Directors ("Board"), composed of representatives from member insurers, and the Insurance Commissioner, exofficio, oversee the operation of the Association.

The expenses of the Association are paid by assessments made against each member insurer. Persons covered by the Act are not charged for the expenses of the Association or the protection provided under the Act.

Coverage is provided for certain life and disability insurance. However, the Association does not cover all such insurance. Coverage that is provided is subject to the limitations and exclusions provided by the Act.

The purpose of this brochure is to help you understand the general nature and the conditions of the protection provided under the Act. It is only a summary, however, and if you have specific questions that are not discussed here you may contact either the Association or the Office of the Insurance Commissioner.

Washington Life and Disability Insurance Guaranty Association P.O. Box 2292 Shelton, WA 98584 360-426-6744 Company Supervision Division Office of the Insurance Commissioner P.O. Box 40259 Olympia, WA 98504-0259 360-725-7214

### **QUESTIONS AND ANSWERS**

## 1. WHAT INSURANCE POLICIES ARE COVERED UNDER THE ACT?

The Act applies to life insurance policies, disability insurance policies, and annuity contracts issued by an insurance company authorized to do business in Washington. The term "disability insurance," as used in the Act, includes not only disability income insurance, but also policies commonly referred to as "health insurance" (which includes long term care policies). Together, all of these policies and contracts are sometimes referred to as "covered policies," a term used in this brochure.

### 2. ARE THERE POLICIES OR INSURERS NOT COVERED BY THE ACT?

The Act specifically excludes certain types of policies or portions of policies, including, but not limited to: The portion of a policy not guaranteed by the insurer; the portion of a policy to the extent the interest rate or crediting rate exceeds the limits in the Act; policies of reinsurance, unless assumption certificates have been issued; policies issued in Washington by an insurer at a time when the insurer was not licensed or did not have a certificate of authority; policies issued to a self-insured plan or program; certain unallocated employee benefit plan annuities protected by federal law; and unallocated annuity contracts not issued to or in connection with a benefit plan or a government lottery.

The Act also does not apply to policies or contracts issued by health care service contractors, health maintenance organizations, fraternal benefit societies, self funded multiple employer welfare arrangements, mandatory state pooling plans, mutual assessment companies, insurance exchanges, or an organization that has a certificate or license limited to issuance of certain charitable gift annuities.

### 3. WHO IS PROTECTED UNDER THE ACT?

You are covered by the Act if you are an owner of or certificate holder under a policy or contract (other than an unallocated annuity contract or structured settlement annuity), and:

· You are a Washington resident; or

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Rev 04/10/2009

- You are not a Washington resident, but only if: the insurer is domiciled in Washington; there is an association similar
  to the Washington Association in your state of residency; and you are not covered in your state of residency,
  because the insurer was not licensed in that state; or
- You are a beneficiary, assignee, or payee of one of the above, regardless of where you reside (except for nonresident certificate holders under group policies).

Owners of unallocated annuity contracts are covered if the contract was issued to or in connection with a specific benefit plan whose plan sponsor has its principal place of business in Washington, or the contract was issued to or in connection with a government lottery and the owner is a Washington resident.

A payee under a structured settlement annuity (or beneficiary of a deceased payee) is also covered, if the payee is a Washington resident, but the contract owner is a resident; or the insurer that issued the annuity is domiciled in Washington and coverage is not available in the state in which the payee resides.

Residency is generally determined at the time of entry of an order of liquidation against the insurer. If you move to another state and reside there when such an order is entered, you may still have protection under the law of that state. You should contact the insurance department in your new state of residence to find out about guaranty act protection there.

## 4. HOW DOES THE ASSOCIATION PROTECT COVERED PERSONS AGAINST LOSS?

After an order of liquidation is entered against a company, the Association begins its work of carrying out the purpose of the Act, which is to assure the performance of insurance obligations of that company. The Association is authorized to carry out its duties by working with insurance companies in good standing to assume or take over the covered policies. The association may also directly provide benefits and coverage as authorized by the Act. The Association has the authority to collect the funds necessary to provide protection to covered persons against losses on their covered policies.

## 5. WHERE DOES THE ASSOCIATION GET THE MONEY TO PROVIDE THIS PROTECTION?

The Association is authorized to collect money from all life and disability insurance companies doing business in Washington. The funds collected from an assessment are used to pay claims to covered persons and/or to fund the assumption of covered policies by another insurer.

## 6. DOES THE ASSOCIATION PAY OUT THE MONEY IT COLLECTS RIGHT AWAY OR DO COVERED PERSONS HAVE TO WAIT?

The Association generally cannot make an assessment for covered policies issued by a company until after an order of liquidation has been entered against the company, and a reasonable estimate can be made of the amount of money needed. Insurance companies receiving an assessment notice must make their payments within thirty days.

Because it takes time for an action to be commenced against a financially impaired insurer, for a Court to issue an order, and for funds to be collected to satisfy the obligations of that insurer, some delay, hopefully short, is unavoidable before payments can be made. Although it is impossible to predict how long this process will take in any given case, an average time period of twelve to eighteen months is not unusual.

When necessary, the Association may borrow money to make payments more promptly, particularly in cases that will take an unusual amount of time to be resolved.

## 7. WHAT IS THE AMOUNT OF PROTECTION PROVIDED BY THE ACT?

The Act provides the following maximum amounts of protection:

Life Insurance Death Benefits\$	\$500,000
Disability Benefits and Health Benefits (including Long Term Care Benefits)\$	\$500,000
Present Value of Individual Annuities\$	\$500,000
Unallocated Annuity Contracts, other than certain government retirement plans (limit is per contract owner or plan sponsor)	,000,000

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This protection becomes effective at the time of entry of a Court order of liquidation against the insurer. Of course, if the amount owed under the contract or policy is less than the maximum benefit under the Act, the covered person will be entitled to protection only up to the actual amount owed. Furthermore, the maximum protection available to each covered person remains the same, regardless of the number of contracts through which he or she has a claim.

8. IF A HUSBAND AND WIFE EACH INDIVIDUALLY OWN A COVERED POLICY, IS THE PROTECTION UNDER THE ACT PROVIDED TO EACH OF THEM?

Yes. As long as the residency requirements are met, both would be entitled to the protection provided by the Act, up to the maximum amount.

9. WHY DOESN'T MY INSURANCE COMPANY ADVERTISE THE FACT THAT ITS POLICIES AND CONTRACTS ARE PROTECTED UNDER THE ACT?

Under Washington law, insurance companies are prohibited from advertising that their policies or contracts may be covered under the Act.

You should not rely on coverage under the Act when selecting an insurance company.

10. WHY HASN'T MY AGENT TOLD ME ABOUT THE GUARANTY ACT?

Your insurance agent is subject to the same prohibitions as your insurance company. As a representative of the company, an agent must exercise great care when soliciting business and consequently, will generally not discuss the subject of a guaranty act with clients.

11 WHO SHOULD I CONTACT IF I BELIEVE THERE HAS BEEN A VIOLATION OF THE ACT?

You should contact the Association if you believe your rights have been violated under the Act. If you are dissatisfied with the actions of the Association, you may also contact the Office of the Insurance Commissioner.

## CONCLUSION

This brochure has been prepared by the Washington Life and Disability Insurance Guaranty Association. Its purpose is to inform the public in a general way of the protections that are available in this state on insurance policies and annuity contracts issued by companies authorized to do business in Washington. The Association does not, by this brochure, endorse any company or its products, but rather seeks to address some of the concerns that you may have regarding the security of insurance policies and annuity contracts.

For more information or answers to specific questions you may contact the Washington Life and Disability Insurance Guaranty Association or the Office of the Insurance Commissioner, whose addresses and telephone numbers are shown in the Preface.

This brochure is prepared by and made available through the Washington Life and Disability Insurance Guaranty Association, which has granted member insurance companies permission to reproduce and distribute the brochure. It is the responsibility of the company, or any representative of a company, reproducing this brochure, to ensure that the use thereof does not violate applicable laws or regulations.

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Standard Life and Accident Insurance Company
Home Office: One Moody Plaza, Galveston, Texas, 77550
Toll-Free Telephone Number: 1-888-350-1488
(A Stock Insurance Company hereafter referred to as "Standard Life", "We", "Us", "Our" or "the Company")

## NOTICE CONCERNING YOUR LIMITED BENEFIT POLICY OR CERTIFICATE

The policy or certificate issued to you provides fixed, limited or supplemental benefits. The coverage provided by this policy or certificate does not constitute comprehensive health insurance coverage (often referred to as "major medical coverage") and therefore, this policy or certificate does not satisfy the requirement for Minimum Essential Coverage under the Federal Patient Protection and Affordable Care Act.

If you have any questions, please contact Us at our toll free number 1-888-350-1488 or, for additional information, refer to the official federal website *healthcare.gov* or call their toll-free number, 1-800-318-2596.

### NOTICE OF PRIVACY POLICY

## Standard Life and Accident Insurance Company

## One Moody Plaza Galveston, Texas 77550

Standard Life and Accident Insurance Company is committed to providing insurance products and services designed to meet your needs. We are equally committed to respecting your privacy and protecting the information about you that we may receive. We have prepared this notice to advise you what information we collect, how we use it and how we protect it.

### What Information We Collect

As an essential part of our business, we obtain certain personal information about you in order to provide a financial product or service to you. Some of the information we receive comes directly from you on applications or other forms, and may include information you provide during visits to our Web site. We may also receive information from physicians, testing laboratories and other health providers, and from consumer reporting agencies. The types of information we receive may include addresses, social security numbers, family information, current and past medical history and financial information, including information about transactions with other financial institutions.

#### What Information We Disclose

We do not disclose nonpublic personal information about our current or former customers to any non-affiliated entity, except as permitted by law. Examples of the disclosures which we are permitted by law to make include: disclosures necessary to service or administer an insurance product that you requested or authorized; disclosures made with your consent or at your direction; disclosures made to your legal representative; disclosures made in response to a subpoena or an inquiry from an insurance or other regulatory authority; disclosures made to comply with federal, state or local laws and to protect against fraud.

## **Our Privacy Protection Procedures**

We protect information about you from unauthorized access. Our employees and agents receive training regarding our privacy policies, and access to information about you is restricted to those individuals that need such information in order to provide products and services to you. Examples of activities requiring access to personal information include: underwriting; claims processing; reinsurance and policyholder service. Finally, we employ secure technologies in order to safeguard transmission of information about you through our web sites, and we have established and maintain procedures to comply with all state and federal laws and regulations regarding the security of personal information.

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 27 of 761 PageID 429

 From:
 Krauson, Michael A 521

 To:
 Bullington, Jessica (OIC)

 Cc:
 Churchill, Harvey (OIC)

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Date:** Friday, March 22, 2019 1:03:00 PM

Attachments: image008.png

image009.jpg image010.jpg image002.jpg image005.jpg

Cigna Dental Discount WA HII customer list.xlsx

Cigna Dental Welcome Letter Final.pdf

Ms. Bullington,

Below is the response to this inquiry for Connecticut General Life Insurance, Cigna Health and Life Insurance Company, and Cigna Dental Health ("Cigna"):

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting information from Connecticut General Life Insurance, Cigna Health and Life Insurance Company, and Cigna Dental Health ("Cigna").

Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

1. What was the gross monthly charge for the product? AND

2. What was the gross charge for the term of the product?

Cigna is unable to confirm how much Health Insurance Innovations (HII) charged consumers for the Cigna Dental Network Access discount program. Cigna received a monthly network access fee for each enrolled subscriber based on the plan type selected (see next response).

- 3. Did Cigna receive the gross amount or the net amount after commission was retained?
  - a. If Cigna received the gross amount, how much commission was paid and who was the commission paid to?
  - b. If Cigna received the net amount, what was the net amount received by month and for the entire term?

As stated above, Cigna received a monthly network access fee for each subscriber based on the plan type selected:

Plan Type	Monthly Dental Network Access Fee Paid to Cigna		
Individual	\$1.20 per month		
Family	\$2.40 per month		

The attached spreadsheet includes the total network access fees paid to Cigna for each customer listed in the sampling.

4. What entity did Cigna receive the premium payments from?

Cigna received network access fee payments from Health Insurance Innovations (HII). Premium payments are not applicable to discount programs, as they are not insurance products.

Also, please provide a sample of all versions of the contract that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

See sample welcome packet attached.

Thank you, Mike

File #1593742 Exhibit #4Ci Page 1 of 5

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 28 of 761 PageID 430

Mike Krauson

Cigna Legal

State Compliance Manager – Western Region

53 Glenmaura National Blvd. Moosic, PA 18507

570.496.5372

Michael.Krauson@Cigna.com

Compliance\_Signature\_small\_



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From: Krauson, Michael A 521

Sent: Wednesday, March 13, 2019 3:33 PM

**To:** 'Bullington, Jessica (OIC)' <JessicaB@oic.wa.gov> **Cc:** Churchill, Harvey (OIC) <HarveyC@oic.wa.gov>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

#### Thank you Ms. Bullington.

Mike Krauson

Cigna Legal

State Compliance Manager – Western Region 53 Glenmaura National Blvd. Moosic, PA 18507

570.496.5372

Michael.Krauson@Cigna.com

Compliance Signature small



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From: Bullington, Jessica (OIC) [mailto:JessicaB@oic.wa.gov]

Sent: Wednesday, March 13, 2019 3:31 PM

To: Krauson, Michael A 521 < MICHAEL.KRAUSON@Cigna.com >

**Cc:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>

Subject: [External] RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Mr. Krauson,

The request is specific to the named consumers. The response should include the requested information for the named consumers on all products that are or were associated with Health Plan Intermediaries Holdings, LLC.

### Sincerely,





Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259

Fax: 360.664.2782 JessicaB@oic.wa.gov www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

From: Krauson, Michael A 521 [mailto:MICHAEL.KRAUSON@Cigna.com]

**Sent:** Wednesday, March 13, 2019 12:26 PM **To:** Bullington, Jessica (OIC) < JessicaB@oic.wa.gov>

Cc: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>
Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Bullington,

What is the measurement period for this request?

#### **Thanks**

Mike Krauson Cigna Legal State Compliance Manager – Western Region 53 Glenmaura National Blvd. Moosic, PA 18507 570.496.5372

Michael.Krauson@Cigna.com

Compliance\_Signature\_small



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From: Cook, Tammy M HHHH

**Sent:** Friday, March 01, 2019 10:47 AM

To: Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>; Oates, John HHHH < <u>JOHN.OATES@Cigna.com</u>>

Cc: Churchill, Harvey (OIC) < Harvey C@oic.wa.gov >; Krauson, Michael A 521 < MICHAEL.KRAUSON@Cigna.com >

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Good morning Ms. Bullington,

The Company received the OIC's investigation case #1593742 of Health Plan Intermediaries Holdings, LLC. Please note that Mike Krauson, Cigna's State Compliance Manager for Washington, will oversee the review and provide the response by no later than March 22, 2019. Please reference Mike's below contact information.

Mike Krauson State Compliance Manager – Western Region 570.496.5372 <u>Michael.Krauson@Cigna.com</u>

Respectfully,

Tammy M. Cook, MLAS, CTT+ Manager, Market Conduct

File #1593742 Exhibit #4Ci Page 3 of 5

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 30 of 761 PageID 432

Regulatory Compliance

Cigna Legal

2701 North Rocky Point Drive, Suite 800

Tampa, FL 33607-5954 Telephone: (860) 907-5696

Private Facsimile: (860) 339-1491 Email: tammy.cook@cigna.com &

Did You Know?

For general examination requests, please send an email to the Market Conduct Team at

RegulatoryExams@Cigna.com.

Compliance\_Signature\_small

[]

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From: Bullington, Jessica (OIC) [mailto:JessicaB@oic.wa.gov]

**Sent:** Thursday, February 28, 2019 7:28 PM **To:** Oates, John HHHH; Cook, Tammy M HHHH

Cc: Churchill, Harvey (OIC)

Subject: [External] WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Importance: High

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting information from Connecticut General Life Insurance, Cigna Health and Life Insurance Company, and Cigna Dental Health ("Cigna"). Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

- 1. What was the gross monthly charge for the product?
- 2. What was the gross charge for the term of the product?
- 3. Did Cigna receive the gross amount or the net amount after commission was retained?
  - a. If Cigna received the gross amount, how much commission was paid and who was the commission paid to?
  - b. If Cigna received the net amount, what was the net amount received by month and for the entire term?
- 4. What entity did Cigna receive the premium payments from?

Also, please provide a sample of all versions of the contract that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

Please provide your response as soon as possible and no later than **March 22, 2019**. If you have any questions, my contact information is below and I would be happy to assist you.

Sincerely,

### Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner

File #1593742 Exhibit #4Ci Page 4 of 5

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 31 of 761 PageID 433 PO Box 40255 Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov www.insurance.wa.gov | twitter.com/WA OIC | wainsurance.blogspot.com | email/text alerts Protecting insurance consumers Insurance Consumer Hotline 1.800.562.6900 CONFIDENTIALITY NOTICE: If you have received this email in error, please immediately notify the sender by e-mail at the address shown. This email transmission may contain confidential information. This information is intended only for the use of the individual(s) or entity to whom it is intended even if addressed incorrectly. Please delete it from your files if you are not the intended recipient. Thank you for your compliance. Copyright (c) 2019 Cigna CONFIDENTIALITY NOTICE: If you have received this email in error, please immediately notify the sender by e-mail at the address shown. This email transmission may contain confidential information. This information is intended only for the use of the individual(s) or entity to

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File #1593742 Exhibit #4Ci Page 5 of 5

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 32 of 761 PageID 434

## Cigna Dental Network Access®

[JOHN SAMPLE] [12345678 ADDRESS] [12345678 ADDRESS] [VERYLONGNAME, STATE 22233-

Dear

Welcome to Cigna Dental Network Access ®!

You're now able to receive savings off the cost of most dental procedures. Simply make an appointment with any of the participating dentists and pay your fee directly to the dentist. It's fast and simple, and gives you peace of mind knowing that your discount has been pre-negotiated. There are more than 155,650 network access points. Here's how to start receiving your discount today:

- 1. **Find a network dentist** visit www.hiiquotecustomers.com or call our service representatives toll-free at 1-877-376-5831 to locate a dentist.
- 2. Schedule an appointment be sure to verify that the dentist participates in the network when making your appointment.
- 3. **Present your ID card** to the dental office at your visit in order to receive your on-the-spot discount. Then pay the discounted fee directly to the dental office.

For your convenience, your insurance ID card is below. To access your benefits, please present your ID card upon each visit to a participating dentist. If applicable, spouse and/or dependent(s) ID cards are available to print at www.hiiguotecustomers.com with your secure login listed below:

User name: Password:

If you cannot download and print these documents, call HII's customer service at **1-877-376-5831** to have them mailed to you.

## THIS IS NOT INSURANCE



To find out if a dentist participates in the program, visit us on-line at  $\mbox{\sc Hii}\mbox{\sc Quote-com}$  or call our service representatives at 1.877.376.5831

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### **Everest Reinsurance Company**

477 Martinsville Road
Post Office Box 830
Liberty Corner, NJ 07938
908,604,3328



March 15, 2019

### Via E-mail – JessicaB@oic.wa.gov

Jessica Bullington Senior Investigator Regulatory Investigations Unit Legal Affairs Division WA State Office of Insurance Commissioner 810 Third Avenue, Suite 650 Seattle, WA 98104

**Re:** Everest Reinsurance Company (NAIC# 26921)

**OIC Case # 1593742** 

Dear Ms. Bullington:

Please accept this response to your letter addressed to Everest Reinsurance Company ("Everest"), dated February 28, 2019. In your letter, you indicate that the Commissioner is investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH").

### 1. What was the gross monthly premium?

### **Everest Response #1**

Please see attached spreadsheet. The spreadsheet provides information on all Everest premium transactions for the sampling provided by the WA OIC through January 2019. Gross monthly premium for monthly pay policies can be found in the "Monthly Gross Premium" column.

## 2. What was the gross premium for the term of the policy?

### **Everest Response #2**

Please see attached spreadsheet. The Gross Premium collected for the term of the policy is contained in the Total Gross Premium column. These figures represent Gross Premiums collected through January 2019. Where a policy was cancelled and a refund provided, the spreadsheet reflects \$0.00 for the Total Gross Premium.

## 3. Did the Company receive the gross premium or the net premium after commission was retained?

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Ms. Jessica Bullington Washington Office of Commissioner March 15, 2019 Page 2

- a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?
- b. If the Company received the net premium, what was the net premium received by month and for the entire term?

**Everest Response #3** 

Health Plan Intermediaries Holdings, LLC ("HPIH") collects the Gross Premium from Everest policyholders. Everest pays HPIH 31% of Gross Premium as commissions for policies sold to Washington residents. HPIH retains the commissions before remitting the Gross Premium net of commissions ("Net Premium") to Everest monthly. The attached spreadsheet shows the commissions paid monthly ("Monthly") for the monthly pay policies and for the duration of the policy for all policies ("Total") to HPIH and the Net Premium remitted to Everest monthly for monthly pay policies ("Monthly") and for the duration of the policy for all policies ("Total").

4. What entity did the Company receive the premium payments from?

Everest Response #4

**HPIH** remits premium directly to Everest.

Pursuant to your request, we are also providing the following documents:

Sample copies of "Traditional" and "Lite" policy forms, which are similar to what would have been issued to policyholders in the list provided.

We hope this has been responsive to your request. If you would like to have a call to discuss further or would like further information, please let us know.

Respectfully submitted,

Michael A. Fioto

Michael A. Fioto Director – Law Department

cc: Christopher Blum – Vice President and Associate General Counsel Eric P. Berg – Vice President, Accident & Health

**Enclosures** 

## **EVEREST REINSURANCE COMPANY**

Statutory Office: 1209 Orange Street, Wilmington, DE 19801 Administrative Office: 477 Martinsville Road, Liberty Corner, NJ 07938 877-376-5831

(hereafter referred to as "We", "Us", "Our" or "the Company")

## INDIVIDUAL SHORT TERM MEDICAL PLAN INSURANCE APPLICATION FORM

SECTION A				
Applicant PPITTANY LIPOKS				
Date of Birth	Gender		10/0	
Home Address		City (1)	State <u>WA</u>	A_ Zip <u>98466</u>
Home Phone (1991)	Mobile Phone			
Best time to call □ a.m. □ p.m.	Email (			
Please print the full name of all other Prop	oosed Covered Person	s (Use additional shee	et and attach	if needed).
Last, First, Middle Initial	Relationship to Applicant	Date of Birth Month, Day, Year	Gender M/F	
BENEFIT AND PREMIUM DATA				
Deductible \$2,500 Coinsurance 80/20 Coverage Period Maximum \$250,000	Out of Pocket Maximu	<b>m</b> \$2,000		
Requested Effective Date: 07/06/2017				
•				
Payment Option: ☐ Monthly – 3 month	pian			
☐ Single Up Front Number of days (minim	um of 30, maximum of	90 days)		
SECTION B				
If the answer to any question in Section	B is "Yes," the cove	rage cannot be issue	ed.	
<ol> <li>Is the Applicant or any Proposed Cov</li> <li>Is the Applicant or any Proposed Cov</li> </ol>	ered Person:			
a. Now pregnant, an expectant parer			-	
<ul> <li>b. Over 325 pounds if male, or over 275 pounds if female?</li> <li>□ Yes</li> <li>□ Yes</li> <li>□ Yes</li> <li>□ No</li> </ul> 3. Will the Applicant or any Proposed Covered Person have any other group major medical health insurance or individual major medical health insurance in force on the requested effective				
date?				

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4.	Within the last 5 years has any applicant been diagnosed with, received treatment, abnormal test results, medication, or consultation for: Insulin or medication dependent diabetes except gestational, stroke, transient ischemic attack (TIA), cancer or tumor except basal cell skin cancer, Crohn's disease, ulcerative colitis, rheumatoid arthritis, systemic lupus, chronic obstructive pulmonary disease (COPD), emphysema, cystic fibrosis, hepatitis C, multiple sclerosis, muscular dystrophy, alcohol or drug abuse;		
	bipolar disorder or schizophrenia; hospitalization for mental disorder, an eating disorder; or any diseases or disorders of the following: liver, kidney, blood, pancreas, lung, brain, heart or circulatory including heart attack or catheterization?	Yes	☑ No
5.	Within the past 5 years, has the Applicant or any Proposed Covered Person been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or tested positive for Human Immunodeficiency Virus (HIV)?	Yes	☑ No
6.	If the Applicant and all Proposed Covered Person(s) are United States citizens, please answer "No" to this question. If the Applicant or any Proposed Covered Person is not a United States Citizen, has that person resided outside the United States for more than 4 weeks over the last 12 months?	Vas	₽ No

### SECTION C

CERTIFICATION— I/We hereby request coverage under the insurance underwritten by Everest Reinsurance Company (Company). I/We understand this insurance contains a Pre-existing Condition exclusion, a Pre-certification Penalty and other restrictions and exclusions. I UNDERSTAND THAT THE POLICY APPLIED FOR WILL NOT PAY BENEFITS FOR ANY LOSS INCURRED DURING THE FIRST 12 MONTHS AFTER THE ISSUE DATE ON ACCOUNT OF DISEASE OR CONDITION WHICH I NOW HAVE OR HAVE HAD IN THE PAST. I/We agree that coverage will not become effective for me or any dependent whose medical status, prior to the effective date, has changed and therefore results in a "yes" answer to any of the medical questions on this Application. If my/our medical status changes in this way, coverage will be declined for all individuals included on this Application. I/We understand that if I/we have elected the Monthly Payment option, my/our credit card will be charged each month or my bank account will be automatically debited on the due date of the premium for 3 months, depending on the plan I/we have selected. I/We understand that I/we may terminate the scheduled payments by notifying the insurance company or its authorized producer in writing at least 30 business days prior to the next scheduled payment date. I/We understand that this coverage is not renewable or extendable. I/We may obtain a complete copy of the Policy upon request. I/We understand that the Company, as underwriter of the plan, is solely liable for the coverage and benefits provided under the insurance. I/We understand and agree that the insurance producer, if any, assisting with this Application is a representative of the Applicant. If coverage is agreed by a representative of the Applicant, the undersigned represents his/her capacity to so act. If coverage is agreed as guardian or proxy of the Applicant, the undersigned represents his/her capacity to so act. By acceptance of coverage and/or submission of any claim for benefits, the Applicant ratifies the authority of the signer to so act and bind the Applicant. If this Application Form is completed electronically, I/we agree that my/our electronic signature serves as my/our original signature. If this Application Form is not completed electronically, I/We agree to provide my/our verbal consent to certify my/our application in lieu of a signature.

THIS IS NOT QUALIFYING HEALTH COVERAGE ("MINIMUM ESSENTIAL COVERAGE") THAT SATISFIES THE HEALTH COVERAGE REQUIREMENT OF THE AFFORDABLE CARE ACT. IF YOU DON'T HAVE MINIMUM ESSENTIAL COVERAGE, YOU MAY OWE AN ADDITIONAL PAYMENT WITH YOUR TAXES.

THIS PLAN PROVIDES LIMITED BENEFIT COVERAGE. IT IS NOT DESIGNED TO COVER ALL MEDICAL EXPENSES AND IT IS NOT A MAJOR MEDICAL OR COMPREHENSIVE HEALTHCARE POLICY. PLEASE READ YOUR POLICY CAREFULLY!

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**Fraud Warning:** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

Applicant's Signature	Date 07.05.2017
Spouse's Signature	Date
Signed by Company Appointed Producer:	
Printed Name	License Number

PAYMENT AUTHORIZATION				
CREDIT CARD AND CHECK AUTHORIZATION  Checking Savings MasterCard VISA	AUTHORIZATION FOR AUTOMATIC BANK DRAFT OR CRED I am signing up for an automatic payment plan. I agree that producer may automatically debit my bank account or Credit around the payment due date. I can cancel this automatic pa writing the Company or its authorized producer at least 30 days that the Company, its authorized producer, or my financial i payment for my account for any reason, at any time, with cunderstand that \$25.00 will be charged for each transaction acknowledge that the origination of these debits to my account agree that this agreement remains in effect until canceled by Comy financial institution, or me. I have a copy of this agreement a Company or its producer for a copy.  Date Signed  Billing Address  Account Holder's name  Billing Address	the Company or its authorized Card for the amount due on or yment at any time by calling or prior to the next due date. I agree institution can cancel automatic or without prior notice to me. I rejected for insufficient funds. I at must comply with U.S. laws. I ompany, its authorized producer,		
	Account Number	-		
	Routing Number	-		
	Credit Card Number	Exp. Date		

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# EVEREST REINSURANCE COMPANY

Statutory Office: 1209 Orange Street, Wilmington, DE 19801 Administrative Office: 477 Martinsville Road, Liberty Corner, NJ 07938 877-376-5831

# NONRENEWABLE SHORT TERM LIMITED BENEFIT HEALTH INSURANCE Outline of Coverage

**Read your policy carefully.** This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **read your policy carefully!** 

**Nonrenewable Short Term Limited Benefit Health coverage.** Policies of this category are designed to provide, to persons insured, coverage for hospital and medical-surgical expenses incurred as a result of a covered accident or sickness. Coverage is subject to any limitations, deductibles and copayment requirements set forth in the policy. Coverage is not provided for *unlimited* hospital or medical-surgical expenses.

The following is a brief description of the usual and customary charges for eligible expenses covered under the policy. You are responsible for all deductibles and any coinsurance percentages up to the out of pocket maximum. Benefits will not to exceed a Coverage Period Maximum of [\$250,000, \$750,000, \$1,000,000, \$1,500,000] per Covered Person. The following is a brief summary of the benefits. See your policy for a complete list of all benefits and limitations.

- Hospital Charges medical care and treatment.
- Intensive Care.
- Outpatient Hospital Services.
- Physicians Services for diagnosis, treatment and surgery.
- Assistant surgeon 20% of the surgeon benefit.
- Anesthesia 20% of the surgeon benefit.
- Physician Office Visits and Urgent Care, after the required copayment.
- Routine Physical Exam, after the required copayment.
- Routine Child Health Care.
- X-ray exams, laboratory tests and diagnostic testing.
- Blood or blood derivatives and their administration.
- · Ambulance Services.
- Home Health Care.
- Hospice Care.
- Extended Care Facility.
- Emergency Room, after any applicable deductible.
- Physical, Occupational and Speech Therapy.
- Organ or tissue transplants.

"Usual and Customary Fee" (or "Fees") means the usual, fair and reasonable fee for medical treatment provided to a Covered Person (or any other form of medical care, procedure, drug or supply). In determining a Usual and Customary Fee, the Company consults:

- one (1) or more standard industry sources to calculate services of comparable severity and nature in the same geographical area, the cost of the goods and services reasonably required to produce and deliver such treatment and/or the charge most commonly paid for such treatment. The standard industry sources utilize cost-based formula methodology and/or pricing data (updated semi-annually) to produce replicable and consistent cost and/or pricing parameters.
- 2. the cost to the health care provider of performing or providing the medical treatment, including reasonable allowance for overhead and profit.
- fee schedules used by third parties such as Medicare or Medicaid, including Medicare allowable charge data for Medicare Part B.
- 4. hospital cost data as submitted to Medicare, including Medicare allowable charge data for Medicare Part A.
- 5. prevailing negotiated fee schedules for same or similar services performed in the same geographical area.

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### **Pre-Certification Requirements**

All Inpatient Hospitalizations and procedures done at an Outpatient Surgery Facility must be pre-certified.

- A. To comply with the pre-certification requirements, the Covered Person must:
  - 1. Contact the professional review organization at the following telephone number 1-866-317-5273 as soon as possible <u>before</u> the expense is to be incurred; and
  - 2. Comply with the instructions of the professional review organization and submit any information or documents they require; and
  - 3. Notify all Doctors, Hospitals and other providers that this insurance contains pre-certification requirements and ask them to fully cooperate with the professional review organization.
- B. If the Covered Person complies with the pre-certification requirements, and the expenses are pre-certified, the Company will pay Eligible Expenses subject to all terms, conditions, provisions and exclusions described in this Policy.
- C. If the Covered Person does not comply with the pre-certification requirements, or if the expenses are not pre-certified, Eligible Expenses will be reduced by 50%.
- D. Emergency pre-certification: In the event of an emergency Hospital admission, pre-certification must be made within 48 hours after the admission, or as soon as is reasonably possible.
- E. Pre-certification Does Not Guarantee Benefits The fact that expenses are pre-certified does not guarantee either payment of benefits or the amount of benefits. Eligibility for and payment of benefits are subject to all the terms, conditions, provisions and exclusions of this Policy.
- F. Concurrent Review For Inpatient stays of any kind, the professional review organization will pre-certify a limited number of days of confinement. Additional days of Inpatient confinement may later be pre-certified if a Covered Person receives prior approval.

**Waiting Period.** No benefits are payable for Sicknesses which arise during the first 5 days following a Covered Person's Effective Date. No Benefits are payable for cancer which arises during the first 30 days following a Covered Person's Policy Effective Date.

Pre-Existing Conditions. No benefits are payable for pre-existing conditions. Pre-existing conditions means:

- a. Charges resulting directly or indirectly from a condition for which a Covered Person received medical treatment, diagnosis, care or advice, including diagnostic tests or medications, within the 60 month period immediately preceding such person's Policy Effective Date.
- b. Pre-Existing Conditions includes conditions that produced any symptoms which would have caused a reasonable prudent person to seek diagnosis, care or treatment within the 60 month period immediately prior to the Covered Person's Policy Effective Date of coverage under the policy.

**Exclusions.** Loss caused by, contributed to or resulting from the following is excluded or otherwise limited as specified:

- 1. Charges during the first 3 months after the Policy Effective Date of coverage for a Covered Person for the following:
  - a. Total or partial hysterectomy, unless it is Medically Necessary due to a diagnosis of carcinoma;
  - b. Tonsillectomy;
  - c. Adenoidectomy:
  - d. Repair of deviated nasal septum or any type of surgery involving the sinus;
  - e. Myringotomy;
  - f. Tympanotomy;
  - g. Herniorraphy; or
  - h. Cholecystectomy.

However, if such condition is a Pre-Existing Condition, any benefit consideration will be in accordance with the Pre-Existing Conditions limitation.

- 2. Charges which are not incurred by a Covered Person during his/her Coverage Period.
- 3. Charges which exceed any limits or limitations specified in this Policy, including the Schedule of Benefits.
- 4. Charges for services of supplies in excess of the Maximum Allowable Expense.
- 5. Charges for services or supplies which are not administered by or under the supervision of a Doctor.
- 6. Mental, emotional or nervous disorders or counseling of any type, except as specifically covered as an Eligible Expense.
- 7. Marital counseling or social counseling.
- 8. Treatment for Substance Abuse, unless specifically covered under the Policy as an Eligible Expense.
- 9. Prescription Drugs, except those administered by a Doctor in an Inpatient or Outpatient setting covered under this Policy as an Eligible Expense.
- 10. Medications, vitamins, and mineral or food supplements including pre-natal vitamins, or any over-the-counter medicines, whether or not ordered by a Doctor.

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- 11. Any drug, treatment or procedure that either promotes or prevents conception including but not limited to: artificial insemination, treatment for infertility or impotency, sterilization or reversal of sterilization.
- 12. Any drug, treatment or procedure that corrects impotency or non-organic sexual dysfunction.
- 13. Modifications of the physical body in order to improve the psychological, mental or emotional well-being of the Covered Person, this does not include Medically Necessary services for gender identity disorder or gender dysphoria that would normally be covered under the Policy.
- 14. Cosmetic Treatment, except for reconstructive surgery where expressly covered under the Policy.
- 15. Weight modification or surgical treatment of obesity.
- 16. Eye surgery, including LASIK, when the primary purpose is to correct nearsightedness, farsightedness or astigmatism.
- 17. Dental Expenses, except as necessary to restore or replace sound and natural teeth lost or damaged as a result of an Injury. The Injury must be severe enough that the contact with the Doctor occurs within seventy-two (72) hours of the Accident, unless extenuating circumstances exist due to the severity of the Injury that prevent you from contacting the Doctor.
- 18. Expenses incurred in the treatment by any method for jaw joint problems including temporomandibular joint dysfunction (TMJ), TMJ pain syndromes, craniomandibular disorders, myofacial pain dysfunction or other conditions of the joint linking the jaw bone and skull and the complex of muscles, nerves and other tissues related to the joint, unless specifically covered under the Policy as an Eligible Expense.
- 19. Routine pre-natal care, Pregnancy, child birth, and post natal care. (This exclusion does not apply to "Complications of Pregnancy" as defined.)
- 20. Charges for a Covered Dependent who is a newborn child not yet discharged from the Hospital, unless the charges are Medically Necessary to treat premature birth, congenital Injury or Sickness, or Sickness or Injury sustained during or after birth.
- 21. Sclerotherapy for veins of the extremities.
- 22. Abortions, except in connection with covered Complications of Pregnancy or if the life of the expectant mother would be at risk.
- 23. Joint replacement or other treatment of joints, spine, bones or connective tissue including tendons, ligaments and cartilage, unless related to a covered Injury.
- 24. Surgeries, treatments, services or supplies which are deemed to be Experimental Treatment.
- 25. Chronic fatigue or pain disorders.
- 26. Kidney or end stage renal disease.
- 27. Treatment or diagnosis of allergies, except for emergency treatment of allergic reactions.
- 28. Treatment for cataracts.
- 29. Treatment of sleep disorders.
- 30. Treatment required as a result of complications or consequences of a treatment or condition not covered under this Policy.
- 31. Treatment incurred as a result of exposure to non-medical nuclear radiation and/or radioactive material(s).
- 32. Treatment for acne, moles, skin tags, diseases of sebaceous glands, seborrhea, sebaceous cyst, unspecified disease of sebaceous glands, hypertrophic and atrophic conditions of skin, nevus.
- 33. Treatment for or related to any Congenital Condition, except as it relates to a newborn child or newborn adopted child added as a Covered Person pursuant to the terms of this Policy.
- 34. Treatment, medication or hormones to stimulate growth, or treatment of learning disorders, disabilities, developmental delays or deficiencies, including therapy.
- 35. Spinal manipulation or adjustment.
- 36. Biofeedback, acupuncture, recreational, sleep or MIST Therapy®, holistic care of any nature, massage and kinestherapy, excepted as provided for under Home Health Care.
- 37. Hypnotherapy when used to treat conditions that are not recognized as Mental Disorders by the American Psychiatric Association, and non-medical self-care or self-help programs.
- 38. Eyeglasses, contact lenses, hearing aids, hearing implants, eye refraction, visual therapy, orthoptics, visual eye training and any examination or fitting related to these devices, and all vision and hearing tests and examinations.
- 39. Care, treatment or supplies for the feet, orthopedic shoes, orthopedic prescription devices to be attached to or placed in shoes, treatment of weak, strained, flat, unstable or unbalanced feet, metatarsalgia or bunions and treatment of corns, calluses or toenails.
- 40. Care and treatment for hair loss including wigs, hair transplants or any drug that promises hair growth, whether or not prescribed by a Doctor.
- 41. Exercise programs, whether or not prescribed or recommended by a Doctor.
- 42. Telephone or Internet consultations and/or treatment or failure to keep a scheduled appointment.
- 43. Charges for travel or accommodations, except as expressly provided for local ambulance.
- 44. All charges incurred while confined primarily to receive Custodial or Convalescent Care.
- 45. Services received or supplies purchased outside the United States, its territories or possessions, or Canada.
- 46. Any services or supplies in connection with cigarette smoking cessation.
- 47. Any services performed or supplies provided by a member of a Covered Person's Immediate Family.

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- 48. Services received for any condition caused by a Covered Person's commission of or attempt to commit an assault, battery, or felony, whether charged or not, or to which a contributing cause was the Covered Person being engaged in an illegal occupation.
- 49. Services or supplies which are not included as Eligible Expenses as described herein.
- 50. Participating in hazardous occupations or other activity including participating, instructing, demonstrating, guiding or accompanying others in the following: operation of a flight in an aircraft other than a regularly scheduled flight by a commercial airline, professional or semi-professional sports, extreme sports, parachute jumping, hot-air ballooning, hang-gliding, base jumping, mountain climbing, bungee jumping, scuba diving, sail gliding, parasailing, parakiting, rock or mountain climbing, cave exploration, parkour, racing including stunt show or speed test of any motorized or non-motorized vehicle, rodeo activities, or similar hazardous activities. Also excluded is Injury received while practicing, exercising, undergoing conditional or physical preparation for such activity.
- 51. Injuries or Sicknesses resulting from participation in interscholastic, intercollegiate or organized competitive sports. This does not include dependent children participating in local community sports activities.
- 52. Intentionally self-inflicted Injury or Sickness (whether the Covered Person is sane or insane).
- 53. Charges resulting from a declared or undeclared war, or from voluntary participation in a riot or insurrection.
- 54. Charges incurred by a Covered Person while on active duty in the armed forces. Upon written notice to Us of entry into such active duty, the unused premium will be returned to the Covered Person on a pro-rated basis.
- 55. Costs for Routine Physical Exams or other services not needed for medical treatment, unless specifically covered under the Policy as an Eligible Expense.
- 56. Charges You or Your Covered Dependent are not required to pay, or which would not have been billed, if no insurance existed.
- 57. Charges that are eligible for payment by Medicare or any other government program except Medicaid. Costs for care in government institutions unless You or Your Covered Dependent are obligated to pay for such care.
- 58. Charges related to Injury or Sickness arising out of or in the course of any occupation for compensation, wage or profit, if the Covered Person is insured, or is required to be insured, by occupational disease or workers' compensation insurance pursuant to applicable state or federal law, whether or not application for such benefits have been made.
- 59. Medical expenses which are payable under any automobile insurance policy without regard to fault (does not apply in any state where prohibited).

Renewability. Coverage under this policy is NON-RENEWABLE.

THIS IS A SHORT TERM MEDICAL INSURANCE PLAN THAT IS NOT INTENDED TO QUALIFY AS THE MINIMUM ESSENTIAL COVERAGE REQUIRED BY THE AFFORDABLE CARE ACT (ACA). UNLESS THE INSURED AND ANY DEPENDENTS PURCHASE A PLAN THAT PROVIDES MINIMUM ESSENTIAL COVERAGE IN ACCORDANCE WITH THE ACA, INSUREDS AND DEPENDENTS MAY BE SUBJECT TO A FEDERAL TAX PENALTY. ALSO, THE TERMINATION OR LOSS OF THIS POLICY DOES NOT ENTITLE INSUREDS OR DEPENDENTS TO A SPECIAL ENROLLMENT PERIOD TO PURCHASE A HEALTH BENEFIT PLAN THAT QUALIFIES AS MINIMUM ESSENTIAL COVERAGE OUTSIDE OF AN OPEN ENROLLMENT PERIOD.

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# **EVEREST REINSURANCE COMPANY**

Statutory Office: 1209 Orange Street, Wilmington, DE 19801 Administrative Office: 477 Martinsville Road, Liberty Corner, NJ 07938 877-376-5831

(hereafter referred to as "We", "Us", "Our" or "the Company")

### SHORT TERM MEDICAL INSURANCE INDIVIDUAL POLICY

**THIS POLICY IS ISSUED AND DELIVERED IN THE STATE OF WASHINGTON** and shall be governed by its laws. This Policy is the contract between the Insured and Everest Reinsurance Company. This Policy contains the terms under which We agree to insure eligible persons and pay benefits, subject to the terms and conditions herein.

**CONSIDERATION -** This Policy is issued in consideration of the statements made in the Application Form and payment of the initial premium. Coverage is not provided until the first full premium is paid. The first premium pays for the initial term of coverage. The initial term of coverage begins at 12:01 A.M., local time on the Policy Effective Date at the Insured's Residence.

**PREMIUMS** - Premiums are due as stated in the section titled "Premiums".

### THIS POLICY PROVIDES NON-RENEWABLE SHORT TERM INSURANCE

**NO CONTINUOUS COVERAGE** – This Policy provides coverage on a short term basis. It is not renewable. Although this short term plan may be rewritten for new and completely separate Coverage Periods (as long as You meet eligibility criteria), coverage does not continue from one Policy to another. This means that a new Application Form must be submitted, a new Effective Date is given, and a new Pre-Existing Condition exclusion period begins. Any medical condition which may have occurred and/or existed under a prior Policy will be treated as a Pre-Existing Condition under the new Policy. This Policy will terminate on the earlier of the expiration of the Grace Period, if a monthly premium is due and unpaid, or 12:01 A.M., local time on the Policy Termination Date at the Insured's residence.

### 10 DAY RIGHT TO RETURN THE POLICY

If for any reason the Insured is not satisfied with this Policy, the Insured may return it to Us within 10 days after the Insured receives it. We will refund any premium paid and the Policy will be deemed void, just as though it had not been issued. An additional ten percent penalty shall be added to any premium refund due which is not paid within thirty days of return of the policy to the Company.

For: Everest Reinsurance Company

COVERAGE FOR INSUREDS AND ANY DEPENDENTS WILL NOT BE RENEWED AT THE END OF THEIR COVERAGE PERIOD. READ YOUR POLICY CAREFULLY

THIS IS NOT QUALIFYING HEALTH COVERAGE ("MINIMUM ESSENTIAL COVERAGE") THAT SATISFIES THE HEALTH COVERAGE REQUIREMENT OF THE AFFORDABLE CARE ACT. IF YOU DON'T HAVE MINIMUM ESSENTIAL COVERAGE, YOU MAY OWE AN ADDITIONAL PAYMENT WITH YOUR TAXES.

**LIMITED BENEFITS, PLEASE READ CAREFULLY.** No benefits are payable for Sicknesses which arise during the first 5 days following a Covered Person's Effective Date. No Benefits are payable for cancer which arises during the first 30 days following a Covered Person's Policy Effective Date. See **PART VII – EXCLUSIONS AND LIMITATIONS** for details.

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The following provisions appear within this Policy in the following order:

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### IMPORTANT NOTICE CONCERNING STATEMENTS IN THE APPLICATION FORM

Please read the Application Form and all documents attached to this Policy. Omissions or misstatements in the Application Form or any attached documents may cause Us to deny an otherwise valid claim or rescind coverage. Carefully check all documents. You must advise Our Underwriting Department at the address or numbers listed above within 10 days of the receipt of this Policy, or notice electronically that the Policy is available, if any information or medical history is incomplete, incorrect, or has changed since the date of the Application Form.

### PART I - GENERAL DEFINITIONS

"Accident" means an act or event which: (a) is unforeseen, unexpected and unanticipated and is the direct cause of a loss covered under the Policy; (b) is definite as to time and place; (c) is not a Sickness; and (d) occurs on or after the Policy Effective Date and while insurance is in effect for a Covered Person.

**Application Form**" means the form(s) that You (and Your spouse, if any) signed, or otherwise certified, in order to apply for coverage under the Policy. It also includes any other document approved by the Company that You use to change coverage under the Policy.

"Advanced Diagnostic Studies" means advanced radiological diagnostic testing, such as MRI; nuclear medicine scans and imaging, including PET scan; CT scan; and ultrasound guided procedures.

"Civil Union" means a same sex relationship, similar like marriage, that is recognized by law.

"Coinsurance" means the percentage amount the Company will pay of the Eligible Expenses that the Insured and the Company share after the applicable Deductibles and Copayments are met. Coinsurance does not include Deductibles, Copayments, penalty coinsurance for failure to pre-certify required services or any charges in excess of the Maximum Allowable Expense.

"Complications of Pregnancy" means either of these two general types of conditions:

- 1. Conditions requiring Inpatient treatment (when pregnancy is not terminated);
- 2. Whose diagnoses are distinct from pregnancy but are adversely affected or caused by pregnancy, such as acute nephritis, nephrosis, cardiac decompensation, missed abortion and similar medical and surgical conditions of comparable severity, but shall not include hyperemesis gravidarum, preeclampsia, false labor, occasional spotting, Doctor prescribed rest during the period of pregnancy, morning sickness, and other similar conditions associated with the management of a difficult pregnancy not constituting a nosologically distinct complication of pregnancy; and
- 3. Non-elective or emergency cesarean section, ectopic pregnancy that is terminated, and spontaneous termination of pregnancy that occurs during a period of gestation in which a viable birth is not possible.
- "Congenital Condition" means a disease or other anomaly existing at or before birth, whether acquired during development or by heredity.
- "Copayment" means a designated amount that must be paid by a Covered Person for each medical service, including consultations and follow ups, that is subject to a Copayment amount. Copayments do not apply to any Deductible or to the Out of Pocket Maximum.
- "Cosmetic Treatment" means treatments, procedures, services or supplies that change or improve appearance without significantly improving physiological function and without regard to any intended or actual improvement to the psychological consequences resulting from an Injury, Sickness or Congenital Condition.
- "Coverage Period" means the length of time for which the Insured selected coverage in the Insured's Application Form and approved by Us not to exceed a period of less than 3 months commencing as of the Policy Effective Date.
- "Coverage Period Maximum Benefit" means the total aggregate amount of benefits We will pay under this Policy for each Covered Person which are incurred during the Coverage Period. The Coverage Period Maximum Benefit applies to all Eligible Expenses under this Policy.
- "Covered Person" means You and Your covered Dependents, listed as a Covered Person in the Schedule of Benefits and for whom premium has been paid.
- "Custodial or Convalescent Care" means any care that is provided to a Covered Person who is disabled and needs help to support the essential activities of daily living when the Covered Person is not under active and specific medical, surgical, or psychiatric treatment that will reduce the disability to the extent necessary for the person to perform the essentials of daily living on his own.

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"Deductible" means the amount of Eligible Expenses that must actually be paid by each Covered Person during any Coverage Period before any benefits are payable. The Deductible(s) are shown in the Schedule of Benefits and do not include any Copayment amounts.

"**Dental Expenses**" means treatment, procedures, services or supplies, including oral appliances, to diagnose, prevent, or correct any ailments or defects of the teeth and supporting tissue. Expenses for such treatment, procedures, services or supplies are considered Dental Expenses regardless of the reason they are provided.

### "Dependent" means Your family as follows:

- 1. The lawful spouse\*, if not legally separated or divorced who is under age 64 and 11 months and is not a full-time active duty member in the armed forces other than for reserve duty of 30 days or less;
- 2. Children (whether natural, stepchildren, adopted, children placed for adoption, or this includes children of a Domestic Parnter) under the limiting age of 26 and is not a full-time active duty member in the armed forces other than for reserve duty of 30 days or less; or
- 3. Children for whom You are required to provide insurance under a medical support order or an order enforceable by a court.

\*The term "lawful spouse" as used throughout this Policy will also mean Your legal Domestic Partner or Civil Union partner.

"Domestic Partner" means an opposite or same sex person with whom You maintain a committed relationship and share a familial relationship characterized by mutual caring and the sharing of a mutual residence and who has registered under state law as a domestic partner. Each partner must:

- 1. Be at least 18 years old and competent to contract
- 2. Be the sole domestic partner of the other person; and
- 3. Not be married.

"**Doctor**" means any duly licensed practitioner who is recognized by the law of the state in which treatment is received as qualified to perform the service for which claim is made and who is not a member of Your immediate family.

"Eligible Expense" means those expenses incurred for a covered Injury or Sickness:

- 1. which are for Medically Necessary services, supplies, or treatment, except for preventative services where expressly covered by this Policy;
- 2. which are prescribed or provided by a Doctor;
- 3. which are incurred while coverage is in force for a Covered Person;
- 4. which are not in excess of the Maximum Allowable Expense:
- 5. for which a Covered Person is legally liable; and
- 6. which are not otherwise excluded by this Policy or exceed any limits or amounts payable under this Policy.

The fact that a Doctor has prescribed, recommended, approved, or provided a treatment, service or supply does not, in itself, make such treatment, service or supply a Medically Necessary covered Eligible Expense.

"Experimental or Investigational Treatment" means a treatment, drug, device, procedure, supply or service and related services (or any portion thereof, including the form, administration or dosage) for a particular diagnosis or condition when any one of the following exists:

- 1. The treatment, drug, device, procedure, supply or service is in any clinical trial or a Phase I, II or III trial.
- 2. The treatment, drug, device, procedure, supply or service is not yet fully approved or recognized (for other than experimental, investigational, research or clinical trial purposes) by the National Cancer Institute (NCI), Food & Drug Administration (FDA), or other pertinent governmental agency or professional organization.
- 3. The results are not proven through controlled clinical trials with results published in peer-reviewed English language medical journals, to be of greater safety and efficacy than conventional treatment, in both the short and long term.
- 4. The treatment, drug, device, procedure, supply or service is not generally accepted medical practice in the state where the Covered Person resides or as generally accepted throughout the United States, by reference to any one or more of the following: peer-reviewed English-language medical literature, consultation with physicians, authoritative medical compendia, the American Medical Association, or other pertinent professional organization or governmental agency.
- The treatment, drug, device, procedure, supply or service is described as investigational, experimental, a study, or for research or the like in any consent, release or authorization which the Covered Person, or someone acting on his or her behalf, may be required to sign.

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In determining whether services are Experimental or Investigational, we will consider whether the services are in general use in the medical community in the state of Washington, whether the services are under continued scientific testing and research, whether the services show a demonstrable benefit for a particular illness or disease, and whether they are proven to be safe and efficacious. Any denial of benefits will be provided in writing within 20 working days of receipt of the fully documented appeal. When the initial decision to deny benefits or to refuse to preauthorize services is upheld upon appeal, the written notice shall set forth: (i) the basis for the denial of benefits or refusal to preauthorize services; and (ii) the name and professional qualifications of the person or persons reviewing the appeal. Whenever the Company makes an adverse determination and delay would jeopardize the Covered Person's life or materially jeopardize the Covered Person's health, the Company will expedite and process either a written or an oral appeal and issue a decision no later than seventy-two hours after receipt of the appeal.

The fact that a procedure, service, supply, treatment, drug, or device may be the only hope for survival will not change the fact that it is otherwise experimental in nature.

"Extended Care Facility" means an institution, other than a Hospital, operated and licensed pursuant to law, that provides:
(a) permanent and full-time facilities for the continuous skilled nursing care of three (3) or more sick or injured persons on an Inpatient basis during the convalescent stage of their Sicknesses or Injuries; (b) full-time supervision of a Doctor; (c) twenty-four (24) hour a day nursing service of one or more nurses; and (d) is not, other than incidentally, a rest home or a home for custodial care or for the aged. Extended Care Facility does not include an institution that primarily engages in the care and treatment of drug addiction or alcoholism.

"Home Health Care Agency" means an entity licensed by state or local law operated primarily to provide skilled nursing care and therapeutic services in an individual's home and:

- 1. Which maintains clinical records on each patient;
- 2. Whose services are under the supervision of a Doctor or a licensed graduate registered nurse (RN); and
- 3. Which maintains operational policies established by a professional group including at least one Doctor and one licensed graduate registered nurse (RN).

"Home Health Care Plan" means a program for continued care and treatment of an individual established and approved in writing by the individual's attending Doctor. As part of the plan, an attending Doctor must certify that proper treatment of the Injury or Sickness would require continued confinement in a Hospital in the absence of the services and supplies.

"Hospital" means an institution operated by law for the care and treatment of Injuries or Sicknesses; has organized facilities for diagnosis and surgery or has a contract with another Hospital for these services; and has 24-hour nursing service. Hospital excludes any institution that is primarily a rest home, nursing home, assisted living facility, Custodial or Convalescent Care facility, Extended Care Facility, a home for the aged, an alcoholism or drug addiction treatment facility or a facility for treatment of Mental Disorders.

"Immediate Family" means the parents, lawful spouse, children, or siblings of a Covered Person, or any person residing with a Covered Person.

"Injury" means Accidental bodily Injury of a Covered Person:

- 1. Caused by an Accident; and
- 2. That results in covered loss directly and independently of all other causes.

All Injuries sustained in one Accident, including all related conditions and recurring symptoms of the Injuries, will be considered one Injury.

"Inpatient" means a Covered Person who incurs medical expenses for at least one day's room and board from a Hospital.

"Insured" means the Applicant named in the attached Application Form and to whom the Policy is issued.

"Intensive Care or Critical Care Unit" means that part of a Hospital service specifically designed as an intensive care or critical care unit permanently equipped and staffed to provide the highest level of care for critically ill or Injured patients,

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including a Coronary Care Unit and Neonatal Intensive Care Unit. Coverage includes close observation by trained and qualified personnel whose duties are primarily confined to the part of the Hospital for which an additional charge is made.

"Maximum Allowable Expense" means the maximum charge that will be considered as an Eligible Expense will be the lesser of billed charges, the Usual and Customary Fee, or the maximum benefit under this Policy, or 150% of the Medicare allowable charge.

"Medically Necessary" means that, based on generally accepted current medical practice, a service or supply is necessary and appropriate for the diagnosis or treatment of Injury or Sickness. We do not consider a service or supply as Medically Necessary if:

- 1. It is provided only as a convenience to the Covered Person or provider;
- 2. It is not appropriate treatment for the Covered Person's diagnosis or symptoms;
- 3. It exceeds (in type, scope, site, duration or intensity) that level of care that is needed to provide safe, adequate and appropriate diagnosis or treatment;
- 4. It is Experimental or Investigational.

The fact that a Doctor may prescribe, order, recommend or approve a service or supply does not, of itself, make the service or supply Medically Necessary.

"Mental Disorder" means Medically Necessary outpatient and inpatient services provided to treat mental disorders covered by the diagnostic categories listed in the most current version of the diagnostic and statistical manual of mental disorders, published by the American psychiatric association, on July 24, 2005, or such subsequent date as may be provided by the insurance commissioner by rule, consistent with the purposes of chapter 6, Laws of 2005, with the exception of the following categories, codes, and services: (a) Substance related disorders; (b) life transition problems, currently referred to as "V" codes, and diagnostic codes 302 through 302.9 as found in the diagnostic and statistical manual of mental disorders, 4th edition, published by the American psychiatric association; (c) skilled nursing facility services, home health care, residential treatment, and custodial care; and (d) court-ordered treatment unless the Company's medical director or designee determines the treatment to be Medically Necessary.

"Occupational Therapy" means constructive therapeutic activity designed and adapted to promote the restoration of useful physical function. Occupational Therapy does not include educational training or services designed and adapted to develop a physical function.

"Out Of Pocket Maximum" means an amount of allowable expenses that is the responsibility of each Covered Person to meet before the Company will begin paying the expenses at 100%. It does not include Deductibles, Copayments, penalty coinsurance for failure to pre-certify required services or charges in excess of the Maximum Allowable Expense. Once the Out of Pocket Maximum is met, the Policy will begin paying 100% of Eligible Expenses for the remainder of the Coverage Period, not to exceed Coverage Period Maximum Benefit and any applicable benefit limits.

"Outpatient" means a Covered Person who incurs medical expenses at Doctor's offices and freestanding clinics, and at Hospitals when not admitted as an Inpatient.

"Outpatient Surgical Facility" means a licensed medical facility or a part of a Hospital:

- With an organized staff of Doctors;
- 2. That is permanently equipped and operated primarily for the purpose of performing surgical procedures;
- 3. That does not provide accommodations for overnight stays; and
- 4. That provides continuous Doctor services and nursing services whenever a patient is in the facility.

The term "Outpatient Surgical Facility" does not include a:

- 1. Hospital emergency room or free-standing emergency room;
- 2. Trauma center:
- 3. Doctor's office; or
- 4. Urgent care center.

"Physical Therapy" means the treatment of a disease, Injury or condition by physical means by a Doctor or a registered professional physical therapist under the supervision of a Doctor and which is designed and adapted to promote the restoration of a useful physical function. Physical Therapy does not include educational training or services designed and adapted to develop a physical function.

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"Policy Effective Date" is the date coverage begins under the Policy. Each Covered Person's Effective Date is shown in the Schedule of Benefits. It will be different for a Covered Person added to the Policy after the original date of issue or when a change in coverage for any Covered Person occurs.

"Prescription Drug" means any medication or medicinal substance which has been approved by the U.S. Food and Drug Administration for general use and which can, under federal or state law, be dispensed only pursuant to a Prescription Order (a legend drug). Insulin and the syringes necessary for its injection are considered Prescription Drugs.

"Routine Physical Exam" means examination of the physical body by a Doctor for preventive or informative purposes only, and not for the diagnosis or treatment of any condition.

"Sickness" means a Covered Person's illness, disease, Complication of Pregnancy, or condition that:

- 1. Is treated by a Doctor while the person is covered under the Policy; and
- 2. Results directly and independently of all other causes covered by the Policy.

"Specialists" means doctors who have completed advanced education and clinical training in a specific area of medicine.

"Speech Therapy" means the treatment for the correction of a speech impairment resulting from disease, trauma, congenital anomalies, previous therapeutic processes, psycho-social speech delay, behavioral problems, attention disorder, conceptual handicap or mental retardation and which is designed and adapted to promote the restoration of a useful physical function.

"Substance Abuse" means alcohol, drug (whether prescribed by a Doctor or not) or chemical abuse, overuse or dependency and the resultant physiological and/or psychological effects requiring medical treatment, procedures, services or supplies, including detoxification.

"Surgery or Surgical Procedure" means an invasive diagnostic procedure; or the treatment of Injury or Sickness by manual or instrumental operations performed by a Doctor while the patient is under general or local anesthesia.

"Usual and Customary Fee" (or "Fees") means the usual, fair and reasonable fee for medical treatment provided to a Covered Person (or any other form of medical care, procedure, drug or supply). In determining a Usual and Customary Fee, the Company consults:

- one (1) or more standard industry sources to calculate services of comparable severity and nature in the same geographical area, the cost of the goods and services reasonably required to produce and deliver such treatment and/or the charge most commonly paid for such treatment. The standard industry sources utilize cost-based formula methodology and/or pricing data (updated semi-annually) to produce replicable and consistent cost and/or pricing parameters.
- 2. the cost to the health care provider of performing or providing the medical treatment, including reasonable allowance for overhead and profit.
- 3. fee schedules used by third parties such as Medicare or Medicaid, including Medicare allowable charge data for Medicare Part B.
- 4. hospital cost data as submitted to Medicare, including Medicare allowable charge data for Medicare Part A.
- 5. prevailing negotiated fee schedules for same or similar services performed in the same geographical area.

"You" (or "Your" or "Yours") means the Insured.

# PART II – ELIGIBILITY AND EFFECTIVE DATE OF INSURANCE

Coverage will be effective for You and Your Covered Dependent(s), as of the approved Policy Effective Date, provided:

- 1. You meet the eligibility requirements set forth in the Application Form and the Policy;
- 2. Your Application Form is approved by Us;
- 3. The first premium payment is received on or before the date Your Application Form is approved by Us.

**Newborn Child Coverage:** A child of the Insured born while the Policy is in force is covered for Injury and Sickness (including Medically Necessary care and treatment of a Congenital Condition, birth abnormality and premature birth), as well as routine newborn care, which includes any hearing loss screening tests of newborns and infants provided by the

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hospital before discharge. Coverage for a child born after the Policy Effective Date will be effective from the moment of birth and will remain in force for 60 days, or until this Policy terminates, whichever is sooner. A notice of birth, together with any additional premium, must be submitted to us within 60 days of the birth in order to continue coverage for Injury and Sickness beyond the initial 60-day period.

Adopted Children Coverage: Coverage for Injury or Sickness (including Medically Necessary care and treatment of a Congenital Condition, birth abnormality and premature birth) for a child adopted by You, a minor child who comes under Your legal obligation for total or partial support of a child in anticipation of adoption or a child placed with You for the purpose of adoption after the Policy Effective Date will be effective for the first 60 days, or until this Policy terminates, whichever is sooner. Coverage for such child will be at either the date of placement of the child in the home, or the date of the final decree of adoption, whichever is earlier. To continue coverage beyond 60 days, an Insured must enroll the adopted child and pay any required premium within 60 days from either the date of placement or the final decree of adoption. The coverage of such child will be the same as provided for other members of the Insured's family.

### PART III - TERMINATION OF INSURANCE

Coverage under the Policy will cease at 12:01 a.m. for a Covered Person, based on the time zone in the place where the Insured resides, on the earliest of the following:

- 1. The date premiums are not paid in accordance with the terms of the Policy, subject to the Grace Period;
- 2. On the next premium due date after the Company receives a written request from the Insured to terminate coverage, or any later date stated in the request;
- 3. The date an Insured performs an act or practice that constitutes fraud, or is found to have made a misrepresentation of material fact, relating in any way to the Policy, including claims for benefits under the Policy;
- 4. The date of the Insured's death or the termination date of the Insured's coverage, if the Insured's spouse is not covered under the Policy;
- 5. The Policy Termination Date stated on Your Schedule of Benefits.
- 6. The date that You enter full-time active duty in the armed forces of any country or international organization other than for reserve duty of 30 days or less;
- 7. The date other major medical insurance coverage becomes effective for a Covered Person;
- 8. The date You become eligible for Medicare;
- 9. The date that insurance under the Policy is discontinued; or
- 10. Any premium due date We elect to terminate the Policy by giving the Insured at least 30 days advance written notice.

### **TERMINATION UPON INSURED'S DEATH**

The Insured will cease to be a Covered Person on the date of their death. If the Insured's spouse is a Covered Person when the Insured dies, the spouse will become the Insured.

### **TERMINATION OF SPOUSE'S COVERAGE**

The Insured's spouse will cease to be a Covered Person at the earlier of:

- 1. The date of their death;
- 2. The date the spouse and Insured become legally divorced or legally separated;
- 3. The date the spouse becomes eligible for Medicare; or
- 4. The date that the spouse enters full-time active duty in the armed forces of any country or international organization other than for reserve duty of 30 days or less.

### TERMINATION OF A CHILD'S COVERAGE

A child's coverage will terminate on the at the earlier of:

- 1. The date the child ceases to meet the requirements of a Dependent; or
- 2. The date that the child enters full-time active duty in the armed forces of any country or international organization other than for reserve duty of 30 days or less.

### CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD

Coverage for a Dependent child, who reaches the limiting age as defined in the definition of Dependent, will continue if the child continues to be both:

- 1. Incapable of self-sustaining employment by reason of developmental disability or physical handicap; and
- 2. Remains dependent upon the Insured for support and maintenance.

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Coverage for such child will continue while the coverage is in force and so long as such incapacity continues and the applicable premium is paid.

### CONTINUATION OF COVERAGE FOR A COVERED DEPENDENT

If termination is due to Your death or divorce, a Covered Dependent may elect to continue coverage beyond the Termination Date without a physical examination, statement of health or other proof of insurability by making written request for such coverage and by continuing payments toward the cost of that insurance. When such an election is made, Your Covered Dependent spouse will be considered the Insured Person. If there is no Covered Dependent spouse, the Covered Dependent child will be considered the Insured Person.

### **EXTENSION OF BENEFITS**

If a Covered Person is Hospital confined on the date insurance ends, other than for failure to pay the required premium, benefits will be continued only for the condition causing the Hospital confinement until the earlier of:

- 1. the date such Hospital confinement ends;
- 2. the date when treatment for the condition causing the Hospital confinement is no longer required;
- 3. the date following a time period equal to the number of days in the Covered Person's Coverage Period, with a minimum of thirty (30) days not to exceed a maximum of ninety (90) days:
- 4. the date the Covered Person becomes eligible for any other major medical plan, including Medicaid or Medicare, providing coverage for the same conditions causing the Hospital Confinement; or
- 5. the date the Coverage Period Maximum Benefit under the Policy has been reached.

Benefits payable due to the Extension of Benefits provision after the expiration date or when a Covered Person's coverage ends, are subject to new Deductible(s).

### PART IV - PREMIUMS

- 1. Unless the single payment option has been chosen, premium due dates for an Insured will be on the Policy Effective Date and then the same date of each following calendar months. If a month has fewer days than the scheduled premium due date, premium will be due on the last day of the month. All insurance shall be charged from and to the premium due date.
- 2. Upon Your death, or when a change in benefits, change in Dependents, or clerical error affects premiums, an equitable adjustment in premiums shall be made on the premium due date next following the date of the change or the discovery of the error. Any premium adjustment that involves collecting earned premiums, or returning unearned premium shall be limited to the six (6) months immediately preceding the date of determination that the adjustment in premium should be made. A "change in Dependents" is when a Dependent is added pursuant to the terms of this Policy as a Covered Person or ceases to be a Covered Person pursuant to the terms of this Policy.
- 3. Premiums shall be payable in advance to Us at Our Home Office or Administrator's Office.
- 4. Grace Period. You have a 31-day Grace Period for the payment of each premium due after the first premium. Your coverage will continue in force during the Grace Period unless You have given Us prior written notice of termination. If such a premium is not paid by the end of the Grace Period, all such insurance will end as of the due date of such premiums, and no expenses incurred during the Grace Period will be considered for benefits.
- 5. The Policy does not share in the surplus earnings of the Company and no refund or assessment shall be made to the Insured or Dependent of any excess or deficit earnings of the Company.

### **PART V - BENEFITS**

This Part explains how We will pay benefits under the Policy. The section entitled **ELIGIBLE EXPENSES** lists the types of medical care that We cover and to what extent. In order for Us to pay benefits, You or the Covered Person must meet the following conditions:

- 1. You or a Covered Person must receive medical care while coverage under the Policy is in force for such person;
- 2. Medical care must not be excluded under PART VII EXCLUSIONS AND LIMITATIONS; and
- 3. Medical care must consist of services or supplies that a Doctor has prescribed and that are Medically Necessary for the diagnosis or treatment of a covered Injury or Sickness.

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### WHAT WE PAY

Benefits are payable under the Policy after a Covered Person incurs charges for Eligible Expenses in excess of the Plan Deductible or Copayment, unless otherwise specified. Benefits will be paid at the Coinsurance amount shown in the Schedule of Benefits. Once the Out of Pocket Maximum amount is reached, the Coinsurance amount for the remainder of the Coverage Period is 100%. All benefits payable are subject to the Coverage Period Maximum Benefit. Your Schedule of Benefits shows Your Plan Deductible, Copayment, the Coinsurance amount paid by the Company, Out of Pocket Maximum Amount and Coverage Period Maximum Benefit. Reimbursement is also subject to any benefit limitations shown in the Schedule of Benefits. Eligible Expenses for the same treatment or service that are applicable to more than one benefit limitation shown in the Schedule of Benefits will be applied toward all applicable limitations. The Covered Person's provider may charge more than the limits established by this Policy's definition of Usual and Customary Fee and any such additional charges may be billed by the provider to the Covered Person and will not be covered under this Policy.

### PLAN DEDUCTIBLE

The Plan Deductible is the amount of Eligible Expenses a Covered Person must incur during a Coverage Period before We pay benefits.

#### **FAMILY DEDUCTIBLE MAXIMUM**

Once 3 Covered Persons have met their respective Plan Deductible in a Coverage Period, no further Plan Deductible will be required for the remainder of the Coverage Period. The Family Deductible Maximum does not apply to any additional Deductible, which still must be satisfied if applicable.

### **COPAYMENT AMOUNTS:**

**WELLNESS BENEFIT COPAYMENT** – A Copayment must be paid when Eligible Expenses are incurred for an annual Routine Physical Exam.

**DOCTOR'S OFFICE OR URGENT CARE CENTER VISIT COPAYMENT** - A Copayment must be paid for Eligible Expenses incurred for each Doctor's office or urgent care center visit with a Doctor or a Doctor consultation, not to exceed a maximum of 3 Doctor's Office or Urgent Care Center Visit Copayments per Covered Person. Doctor's office or urgent care visits or doctor consultations in excess of the maximum number of Doctor's Office or Urgent Care Center Visit Copayments will be subject to the Plan Deductible and Coinsurance. Any other services or tests performed as part of the office visit will be subject to the Plan Deductible and Coinsurance.

#### **COVERAGE PERIOD MAXIMUM BENEFIT**

All benefits under this Policy are subject to the Coverage Period Maximum Benefit shown in the Schedule of Benefits.

### **PART VI – ELIGIBLE EXPENSES**

The Policy covers the Eligible Expenses listed below. We apply these Eligible Expenses separately for each Covered Person.

An expense is "incurred" on the date a provider or facility performs the service or furnishes the supplies.

The following are Eligible Expenses under the Policy:

- 1. Charges for Inpatient Hospital services:
  - a. Daily room and board and nursing services not to exceed the average standard room rate. If a Hospital has only private rooms, Eligible Expenses will be limited to 90% of the private room charge;
  - b. Daily room and board and nursing services in an Intensive Care or Critical Care Unit;
  - c. Use of operating, treatment or recovery room; and
  - d. Miscellaneous tests, services and supplies.

As an alternative to hospitalization, a Covered Person may substitute Home Health Care, provided in lieu of hospitalization, furnished by Home Health, Hospice, or Home Health Care Agencies, at equal or lesser cost. Substitution of less expensive or less intensive services shall be made only with the consent of the Covered Person and upon the recommendation of the Covered Person's attending Doctor or licensed health care provider that such

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services will adequately meet the patient's needs. The decision to substitute less expensive or less intensive services shall be determined based on the medical needs of the individual insured patient.

- 2. Charges for Outpatient Hospital services.
- 3. Charges for care received in a Hospital emergency room or a free standing emergency room.
- Charges for Surgery at an Outpatient Surgical Facility, including services and supplies.
- 5. Charges for Inpatient Doctor visits.
- 6. Charges made by a Doctor for surgery and other professional services.
- 7. Charges for a surgical assistance or a surgeon assistant are 20% of the Maximum Allowable Expense allowance for the primary surgical procedure performed during the operative session.
- 8. Charges for the administration of anesthetics are 20% of the Maximum Allowable Expense allowance for the primary surgical procedure performed during the operative session.
- 9. Charges for a Doctor's office visit, consultation, or urgent care center visit. Charges for other covered services or tests performed as a part of the office visit will be subject to the Plan Deductible and Coinsurance.
- 10. Wellness Benefit: Charges for one annual Routine Physical Exam performed by a Doctor as part of a regular check-up. This includes a health history, an exam of all systems including cardiovascular, respiratory, neurological, musculoskeletal, reproductive and behavioral studies appropriate for age, risk and sex. This does not include blood work, radiology, Advanced Diagnostic Studies if applicable, and/or lab work.
- 11. Charges for routine child health care for periodic visits that include a history, a physical examination, a development assessment, anticipatory guidance and appropriate immunizations and laboratory tests consistent with the Recommendations of Preventative Pediatric Health Care of the American Academy of Pediatrics from the moment of birth to age 16. Immunizations are not subject to the Plan Deductible.
- 12. Charges for dressings, sutures, casts or other supplies which are administered by or under the supervision of a Doctor, but excluding nebulizers, oxygen tanks, supplies for use or application at home and all devices or supplies for repeat use at home.
- 13. Charges for diagnostic testing using radiology, ultrasonographic or laboratory services (psychometric, intelligence, behavioral and educational testing are not included).
- 14. Charges for artificial eyes or larynx, breast prosthesis or basic functional artificial limbs, but not their replacement or repair.
- 15. Charges for reconstructive surgery directly related to surgery which is covered under the Policy, including reconstructive breast surgery and prosthetic devices incident to a Mastectomy. Coverage will also include all stages of reconstruction of the breast on which the mastectomy has been performed, surgery and reconstruction on a non-diseased breast to establish symmetry with the diseased breast and prostheses and physical complications of mastectomy, including lymphedemas. As used in this benefit: "Mastectomy" means the surgical removal of all or part of a breast as a result of breast cancer. "Reconstructive breast surgery" means surgery performed as a result of a mastectomy to reestablish symmetry between the two breasts and includes augmentation mammoplasty, reductive mammoplasty and mastopexy.
- 16. Charges for radiation therapy or treatment and chemotherapy.
- 17. Charges for blood and blood products, administration of blood and blood processing.
- 18. Charges for an Extended Care Facility room and board accommodations; if:

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- a. The Covered Person is receiving skilled nursing care as an Inpatient in that facility on the certification of the attending Doctor that the confinement is Medically Necessary;
- b. The confinement commences immediately following a period of at least three (3) continuous days of Hospital confinement; and
- c. The confinement is for the same covered Injury or Sickness that was treated during the Covered Person's confinement in the Hospital.
- 19. Charges for treatment of a Covered Person by a Home Health Care Agency under a Home Health Care Plan. Eligible Expenses for Home Health Care are:
  - a. Part-time skilled nursing care;
  - b. Home Health aide services/supplies when under a R.N.'s direct supervision;
  - c. Physical, occupational and speech therapy;
  - d. Medical supplies; and
  - e. Respiratory therapy.

However, benefits will not be paid for charges made by a Home Health Care Agency for:

- a. Full-time nursing care at home;
- b. Meals delivered to the home:
- c. Homemaker services;
- d. Any services of an individual who ordinarily resides in the Covered Person's home or is a member of the Insured's immediate family; or
- e. Any transportation services.

Benefits for Home Health Care are in lieu of any similar benefits provided under any other provision of the Policy.

- 20. Charges for hospice care and services incurred for a terminally ill Covered Person with a life expectancy of 6 months or less. Eligible Expenses include charges incurred for care and services when provided by an agency licensed or certified to provide hospice services, including the following:
  - a. Inpatient and Outpatient care.
  - b. Part-time or intermittent home nursing care by, or under the direction of a nurse;
  - c. Physical, respiratory or speech therapy performed by a licensed therapist;
  - d. Nutrition counseling provided by or under the direction of a registered dietitian; and
  - e. Counseling by a licensed social worker, pastoral counselor for the Covered Person or a member of the Immediate Family, the primary care giver and individuals with significant personal ties to a Covered Person who is terminally ill.

Hospice services must be:

- a. Under active management through an agency licensed or certified to provide hospice services and which is responsible for coordinating all such services; and
- b. Provided only if the Doctor submits written certification to Us that the Covered Person is terminally ill with a life expectancy of 6 months or less. Review of Medically Necessity may be periodically required.

This benefit does not include the services of volunteers or persons who do not regularly charge for their services.

- 21. Charges for ambulance transport to the nearest Hospital qualified to treat Injuries or medical emergencies. In order for benefits to be payable, transportation due to Sickness must result in Inpatient Hospitalization.
- 22. Charges for the rental of a standard, basic Hospital bed and/or wheelchair, up to the purchase prices, not including expenses for customization and only for the portion of the cost equivalent to the Coverage Period.
- 23. Charges for Physical Therapy, Occupational Therapy and Speech Therapy from a licensed or registered provider to improve or restore lost function caused by a Sickness or Injury covered under this Policy when ordered by the attending Doctor.
- 24. Charges for organ or tissue transplants including all expenses related to the transplant before the transplant is performed, for the procurement of the donor organ or tissue, the Hospital expenses of the donor, and for follow-up care, including any complications while this coverage is in force.

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Eligible Expenses do not include organ or tissue transplants which:

- a. Are animal-to-human transplants:
- b. Use artificial or mechanical organs;
- c. Are Experimental or Investigative; or
- d. Are not generally accepted by the medical community as an effective treatment for a covered Injury or Sickness.
- e. Relate to a condition that is excluded under PART VII EXCLUSIONS AND LIMITATIONS.
- 25. Charges for temporomandibular joint disorder (TMJ) procedures involving any bone or joint of the jaw, face, or head, so long as the procedure is Medically Necessary to treat a condition which prevents normal functioning of the particular bone or joint involved and the condition is caused by congenital deformity, disease, or traumatic Injury. Authorized therapeutic procedures include splinting and the use of intraoral prosthetics applied to reposition the bones. However, this does not include coverage for orthodontic braces, crowns, dentures, treatment for periodontal disease, dental root form implants or root canals.
- 26. Charges for treatment rendered in a Hospital or by a licensed treatment facility or other provider licensed to treat Mental Disorders as defined in this Policy will be covered the same as any other Sickness.
- 27. Charges for treatment rendered in a Hospital or by a licensed treatment facility or other provider licensed to treat Substance Abuse.
- 28. Charges for prostate cancer screening, provided the screening is delivered upon the recommendation of the Covered Person's Doctor, advanced registered nurse practitioner, or physician assistant. No benefit will be paid for services under this benefit if a benefit for this service has already been paid for under the Wellness Benefit.
- 29. Chargers for screening or diagnostic mammography services, provided that such services are delivered upon the recommendation of the Covered Person's Doctor or advanced registered nurse practitioner as authorized by the nursing care quality assurance commission or physician assistant. No benefit will be paid for services under this benefit if a benefit for this service has already been paid for under the Wellness Benefit.
- 30. Charges for the Medically Necessary services and supplies for outpatient self-management training and education, including medical nutrition therapy, as ordered by the Doctor. Diabetes outpatient self-management training and education may be provided only by health care providers with expertise in diabetes.
- 31. Charges for medical foods for inborn metabolic disorder, including Phenylketonuria (PKU).

### **Pre-Certification Requirements**

All Inpatient Hospitalizations and procedures done at an Outpatient Surgery Facility must be pre-certified.

- A. To comply with the pre-certification requirements, the Covered Person must:
  - 1. Contact the professional review organization at the following telephone number 1-866-317-5273 as soon as possible before the expense is to be incurred; and
  - Comply with the instructions of the professional review organization and submit any information or documents they require; and
  - 3. Notify all Doctors, Hospitals and other providers that this insurance contains pre-certification requirements and ask them to fully cooperate with the professional review organization.
- B. If the Covered Person complies with the pre-certification requirements, and the expenses are pre-certified, the Company will pay Eligible Expenses subject to all terms, conditions, provisions and exclusions described in this Policy.
- C. If the Covered Person does not comply with the pre-certification requirements, or if the expenses are not pre-certified, Eligible Expenses will be reduced by 50%.
- D. Emergency pre-certification: In the event of an emergency Hospital admission, pre-certification must be made within 48 hours after the admission, or as soon as is reasonably possible.
- E. Pre-certification Does Not Guarantee Benefits The fact that expenses are pre-certified does not guarantee either payment of benefits or the amount of benefits. Eligibility for and payment of benefits are subject to all the terms, conditions, provisions and exclusions of this Policy.
- F. Concurrent Review For Inpatient stays of any kind, the professional review organization will pre-certify a limited number of days of confinement. Additional days of Inpatient confinement may later be pre-certified if a Covered Person receives prior approval.

### PART VII – EXCLUSIONS AND LIMITATIONS

Loss caused by, contributed to or resulting from the following is excluded or otherwise limited as specified:

- 1. Pre-Existing Conditions:
  - a. Charges resulting directly or indirectly from a condition for which a Covered Person received medical treatment, diagnosis, care or advice, including diagnostic tests or medications, within the 60 month period immediately preceding such person's Policy Effective Date.
  - b. Pre-Existing Conditions includes conditions that produced any symptoms which would have caused a reasonable prudent person to seek diagnosis, care or treatment within the 60 month period immediately prior to the Covered Person's Policy Effective Date of coverage under the Policy.

This exclusion does not apply to a newborn child or newborn adopted child who is added to coverage in accordance with PART II – ELIGIBILITY AND EFFECTIVE DATE OF INSURANCE.

### 2. Waiting Period:

- a. Covered Persons will only be entitled to receive benefits for Sicknesses that begin, by occurrence of symptoms and/or receipt of treatment, more than 5 days following the Covered Person's Policy Effective Date of coverage under the Policy.
- b. Covered Persons will only be entitled to receive benefits for Cancer that begins, by occurrence of symptoms or receipt of treatment more than 30 days following the Covered Person's Policy Effective Date of coverage under the Policy.
- 3. Charges during the first 3 months after the Policy Effective Date of coverage for a Covered Person for the following:
  - a. Total or partial hysterectomy, unless it is Medically Necessary due to a diagnosis of carcinoma;
  - b. Tonsillectomy;
  - c. Adenoidectomy:
  - d. Repair of deviated nasal septum or any type of surgery involving the sinus;
  - e. Myringotomy;
  - f. Tympanotomy;
  - g. Herniorraphy; or
  - h. Cholecystectomy.

However, if such condition is a Pre-Existing Condition, any benefit consideration will be in accordance with the Pre-Existing Conditions limitation.

- 4. Charges which are not incurred by a Covered Person during his/her Coverage Period.
- 5. Charges which exceed any limits or limitations specified in this Policy, including the Schedule of Benefits.
- Charges for services of supplies in excess of the Maximum Allowable Expense.
- 7. Charges for services or supplies which are not administered by or under the supervision of a Doctor.
- 8. Mental, emotional or nervous disorders or counseling of any type, except as specifically covered as an Eligible Expense.
- 9. Marital counseling or social counseling.
- 10. Treatment for Substance Abuse, except as specifically covered under the Policy as an Eligible Expense.
- 11. Prescription Drugs, except those administered by a Doctor in an Inpatient or Outpatient setting covered under this Policy as an Eligible Expense.
- 12. Medications, vitamins, and mineral or food supplements including pre-natal vitamins, or any over-the-counter medicines, whether or not ordered by a Doctor.

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- 13. Any drug, treatment or procedure that either promotes or prevents conception including but not limited to: artificial insemination, treatment for infertility or impotency, sterilization or reversal of sterilization.
- 14. Any drug, treatment or procedure that corrects impotency or non-organic sexual dysfunction.
- 15. Modifications of the physical body in order to improve the psychological, mental or emotional well-being of the Covered Person, this does not include Medically Necessary services for gender identity disorder or gender dysphoria that would normally be covered under the Policy.
- 16. Cosmetic Treatment, except for reconstructive surgery where expressly covered under the Policy.
- 17. Weight modification or surgical treatment of obesity.
- 18. Eye surgery, including LASIK, when the primary purpose is to correct nearsightedness, farsightedness or astigmatism.
- 19. Dental Expenses, except as necessary to restore or replace sound and natural teeth lost or damaged as a result of an Injury. The Injury must be severe enough that the contact with the Doctor occurs within seventy-two (72) hours of the Accident, unless extenuating circumstances exist due to the severity of the Injury that prevent you from contacting the Doctor.
- 20. Expenses incurred in the treatment by any method for jaw joint problems including temporomandibular joint dysfunction (TMJ), TMJ pain syndromes, craniomandibular disorders, myofacial pain dysfunction or other conditions of the joint linking the jaw bone and skull and the complex of muscles, nerves and other tissues related to the joint, except as specifically covered under the Policy as an Eligible Expense.
- 21. Routine pre-natal care, Pregnancy, child birth, and post natal care. (This exclusion does not apply to "Complications of Pregnancy" as defined.)
- 22. Charges for a Covered Dependent who is a newborn child not yet discharged from the Hospital, unless the charges are Medically Necessary to treat premature birth, congenital Injury or Sickness, or Sickness or Injury sustained during or after birth.
- 23. Sclerotherapy for veins of the extremities.
- 24. Abortions, except in connection with covered Complications of Pregnancy or if the life of the expectant mother would be at risk.
- 25. Joint replacement or other treatment of joints, spine, bones or connective tissue including tendons, ligaments and cartilage, unless related to a covered Injury.
- 26. Surgeries, treatments, services or supplies which are deemed to be Experimental Treatment.
- 27. Chronic fatigue or pain disorders.
- 28. Kidney or end stage renal disease.
- 29. Treatment or diagnosis of allergies, except for emergency treatment of allergic reactions.
- 30. Treatment for cataracts.
- 31. Treatment of sleep disorders.
- 32. Treatment required as a result of complications or consequences of a treatment or condition not covered under this Policy.
- 33. Treatment incurred as a result of exposure to non-medical nuclear radiation and/or radioactive material(s).
- 34. Treatment for acne, moles, skin tags, diseases of sebaceous glands, seborrhea, sebaceous cyst, unspecified disease of sebaceous glands, hypertrophic and atrophic conditions of skin, nevus.

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- 35. Treatment for or related to any Congenital Condition, except as it relates to a newborn child or newborn adopted child added as a Covered Person pursuant to the terms of this Policy.
- 36. Treatment, medication or hormones to stimulate growth, or treatment of learning disorders, disabilities, developmental delays or deficiencies, including therapy.
- 37. Spinal manipulation or adjustment.
- 38. Biofeedback, acupuncture, recreational, sleep or MIST Therapy®, holistic care of any nature, massage and kinestherapy, excepted as provided for under Home Health Care.
- 39. Hypnotherapy when used to treat conditions that are not recognized as Mental Disorders by the American Psychiatric Association, and non-medical self-care or self-help programs.
- 40. Eyeglasses, contact lenses, hearing aids, hearing implants, eye refraction, visual therapy, orthoptics, visual eye training and any examination or fitting related to these devices, and all vision and hearing tests and examinations.
- 41. Care, treatment or supplies for the feet, orthopedic shoes, orthopedic prescription devices to be attached to or placed in shoes, treatment of weak, strained, flat, unstable or unbalanced feet, metatarsalgia or bunions and treatment of corns, calluses or toenails.
- 42. Care and treatment for hair loss including wigs, hair transplants or any drug that promises hair growth, whether or not prescribed by a Doctor.
- 43. Exercise programs, whether or not prescribed or recommended by a Doctor.
- 44. Telephone or Internet consultations and/or treatment or failure to keep a scheduled appointment.
- 45. Charges for travel or accommodations, except as expressly provided for local ambulance.
- 46. All charges incurred while confined primarily to receive Custodial or Convalescent Care.
- 47. Services received or supplies purchased outside the United States, its territories or possessions, or Canada.
- 48. Any services or supplies in connection with cigarette smoking cessation.
- 49. Any services performed or supplies provided by a member of a Covered Person's Immediate Family.
- 50. Services received for any condition caused by a Covered Person's commission of or attempt to commit an assault, battery, or felony, whether charged or not, or to which a contributing cause was the Covered Person being engaged in an illegal occupation.
- 51. Services or supplies which are not included as Eligible Expenses as described herein.
- 52. Participating in hazardous occupations or other activity including participating, instructing, demonstrating, guiding or accompanying others in the following: operation of a flight in an aircraft other than a regularly scheduled flight by a commercial airline, professional or semi-professional sports, extreme sports, parachute jumping, hot-air ballooning, hang-gliding, base jumping, mountain climbing, bungee jumping, scuba diving, sail gliding, parasailing, parakiting, rock or mountain climbing, cave exploration, parkour, racing including stunt show or speed test of any motorized or nonmotorized vehicle, rodeo activities, or similar hazardous activities. Also excluded is Injury received while practicing, exercising, undergoing conditional or physical preparation for such activity.
- 53. Injuries or Sicknesses resulting from participation in interscholastic, intercollegiate or organized competitive sports. This does not include dependent children participating in local community sports activities.
- 54. Intentionally self-inflicted Injury or Sickness (whether the Covered Person is sane or insane).
- 55. Charges resulting from a declared or undeclared war, or from voluntary participation in a riot or insurrection.

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56. Charges incurred by a Covered Person while on active duty in the armed forces. Upon written notice to Us of entry into such active duty, the unused premium will be returned to the Covered Person on a pro-rated basis.

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- 57. Costs for Routine Physical Exams or other services not needed for medical treatment, unless specifically covered under the Policy as an Eligible Expense.
- 58. Charges You or Your Covered Dependent are not required to pay, or which would not have been billed, if no insurance existed.
- 59. Charges that are eligible for payment by Medicare or any other government program except Medicaid. Costs for care in government institutions unless You or Your Covered Dependent are obligated to pay for such care.
- 60. Charges related to Injury or Sickness arising out of or in the course of any occupation for compensation, wage or profit, if the Covered Person is insured, or is required to be insured, by occupational disease or workers' compensation insurance pursuant to applicable state or federal law, whether or not application for such benefits have been made.
- 61. Medical expenses which are payable under any automobile insurance policy without regard to fault (does not apply in any state where prohibited).

# PART VIII - COORDINATION OF BENEFITS (COB)

Some people have health care coverage through more than one medical insurance plan at the same time. COB allows these plans to work together so the total amount of all benefits will never be more than 100 percent of the allowable expenses during any coverage year. This helps to hold down the costs of health coverage.

COB does not apply to life insurance or accidental death and dismemberment benefits. COB also does not apply to major medical insurance as coverage hereunder ceased for a Covered Person as of the date major medical insurance became effective.

The term "plan" applies separately to each policy, contract agreement or other arrangements for benefits or services. The term "plan" also applies separately to that part of any policy, contract, agreement or other arrangements for benefits or services that coordinates its benefits with other plans and to that part that does not.

When a plan provides benefits in the form of services rather than cash payment the reasonable cash value of each service rendered will be considered to be both: (1) an allowable expense; and (2) a benefit paid.

### Definitions.

"Allowable expense," means any health care expense, including coinsurance or copayments and without reduction for any applicable deductible, that is covered in full or in part by any of the plans covering the person. When coordinating benefits, any secondary plans must pay an amount which, together with the payment made by the primary plan, cannot be less than the same allowable expense as the secondary plan would have paid if it was the primary plan. In no event will a secondary plan be required to pay an amount in excess of its maximum benefit plus accrued savings. When medicare, Part A, Part B, Part C, or Part D is primary, medicare's allowable amount is the allowable expense.

"Plan" – means any of the following which provides benefits or services for medical expenses:

- 1. Group, Individual or family insurance or subscriber contracts.
- 2. Any group or individual contracts issued by health care service contractors or health maintenance organizations (HMO), closed panel plans or other forms of group coverage; medical care components of long-term care contracts, such as skilled nursing care.
- 3. Any federal, state or local governmental programs, or coverage required or provided by law. This does not include a state plan under Medicaid (Title XIX, Grants to States for Medical Assistance Programs, of the United States Social Security Act, as amended from time to time.)

Each contract or other arrangement for coverage under the above paragraphs is a separate plan. Also, if an arrangement has two parts and COB rules apply to one of the two, each of the parts is construed to mean a separate Plan.

The term "plan" does not include:

- 1. Hospital indemnity or fixed payment coverage benefits or other fixed indemnity or payment coverage;
- 2. Accident only coverage;

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- 3. School Accident-type coverages. (These contracts cover students for accidents only, including athletic injuries, either on a twenty-four hour basis or on a to-and-from school basis);
- 4. Policies with coverage limited to specified illnesses or accidents and limited benefit health coverage;
- 5. Benefits provided in long-term care insurance policies for nonmedical services, for example, personal care, adult day care, homemaker services, assistance with activities of daily living, respite care and custodial care or for contracts that pay a fixed daily benefit without regard to expenses incurred or the receipt of services;
- 6. Medicare Supplement policies;
- 7. A state plan under Medicaid
- 8. A governmental plan, which, by law, provides benefits that are in excess of those of any private insurance plan or other nongovernmental plan;
- 9. Automobile insurance policies required by statute to provide medical benefits;
- 10. Benefits provided as part of a direct agreement with a direct patient-provider primary care practice.

"Primary Plan (Primary)" – means the Plan which determines its benefits before those of the other Plan. When there are more than two (2) Plans, This Plan may be Primary as to one and Secondary as to another.

"Secondary Plan (Secondary)" – means the Plan which determines its benefits after those of the other Plan. When there are more than 2 Plans, This Plan may be Secondary as to one and Primary as to another.

**Order of Benefit Determination of Rules.** Plans use COB to decide which plan should pay first for a covered expense. If the Primary Plan's payment is less than the charge for the allowable expense, then the Secondary Plan will apply its benefit payment to the balance.

The following rules will be used to establish the order of benefit determination:

- 1. A plan which does not have a COB provision will always be the Primary Plan.
- 2. The benefits of a plan which covers the person on whose expenses the claim is based as other than a dependent will be determined before the benefits of a plan which covers the person as a dependent. However, if the person is also a Medicare beneficiary, and if the rule established under the Social Security Act of 1965, as amended, makes Medicare secondary to the plan covering the person as a dependent of an active employee, the order of benefit determination is:
  - a. First, benefits of a plan covering persons as an employee, member, or subscriber.
  - b. Second, benefits of a plan of an active worker covering persons as a dependent.
  - c. Third, Medicare benefits.
- 3. The benefits of a plan that covers a person for whom a claim is made as a dependent child will be determined under the following rules:
  - a. When the parents are married: the benefits of a plan which covers the child as a dependent of the parent whose birthday anniversary occurs earlier in the calendar year will be determined before the benefits of a plan which covers the child as a dependent of the parent whose birthday anniversary occurs later in the calendar year.
  - b. If both parents have the same birthday the benefits of the plan that covered the parent longer are determined before those of the plan that covered the other parent for a shorter period of time.
  - c. If the plans do not agree on the order of benefit rules because the other plan does not have the rule described in this section, but has a rule based upon the gender of the parent, the rule in the other plan will determine the order of benefits.
  - d. When the parents are separated or divorced and the parent with custody has not remarried the benefits of a plan which covers the child as a dependent of the parent with custody of the child will be determined before the benefits of a plan which covers the child as a dependent of the parent without custody.
  - e. When a dependent child whose parents are married or are living together, whether or not they have ever been married: (i) The plan of the parent whose birthday falls earlier in the calendar year is the primary plan; or (ii) If both parents have the same birthday, the plan that has covered the parent longest is the primary plan.
  - f. When the parents are divorced and the parent who has custody of the child has remarried: (a) the benefits of a plan which covers the child as a dependent of the parent with custody will be determined before the benefits of a plan which covers the child as a dependent of the step-parent; and (b) the benefits of a plan that covers the child as a dependent of the step-parent will be determined before the benefits of a plan that covers the child as a dependent of the parent without custody.

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- g. Despite (2) and (3) above, if there is a court decree which would otherwise establish financial responsibility for the medical, dental or other health care expenses with respect to the child, the benefit payment of a plan which covers the child as a dependent of the parent with such financial responsibility will be determined before the benefit payment of any other plan that covers the child as a dependent child.
- h. If a court decree states that both parents are responsible for the dependent child's health care expenses or health care coverage, the provisions of (e)(i) of this subsection determine the order of benefits;
- i. If a court decree states that the parents have joint custody without specifying that one parent has financial responsibility or responsibility for the health care expenses or health care coverage of the dependent child, the provisions of (e)(i) of this subsection determine the order of benefits; or
- j. If there is no court decree allocating responsibility for the child's health care expenses or health care coverage, the order of benefits for the child is as follows: (i) The plan covering the custodial parent, first; (ii) The plan covering the custodial parent, third; and then
- k. (iv) The plan covering the noncustodial parent's spouse, last.
- I. For a dependent child covered under more than one plan of individuals who are not the parents of the child, the order of benefits is determined, as applicable, under (e)(i) or (ii) of this subsection as if those individuals were parents of the child.
- 4. Active Employee or Retired or Laid-off Employee. The Plan that covers a person as an active employee, that is, an employee who is neither laid off nor retired, is the Primary plan. The Plan covering that same person as a retired or laid-off employee is the Secondary plan. The same would hold true if a person is a dependent of an active employee and that same person is a dependent of a retired or laid-off employee. If the other Plan does not have this rule, and as a result, the Plans do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule under section D(1) can determine the order of benefits.
- 5. COBRA or State Continuation Coverage. If a person whose coverage is provided under COBRA or under a right of continuation provided by state or other federal law is covered under another Plan, the Plan covering the person as an employee, member, subscriber or retiree or covering the person as a dependent of an employee, member, subscriber or retiree is the Primary plan and the COBRA or state or other federal continuation coverage is the Secondary plan. If the other Plan does not have this rule, and as a result, the Plans do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule under section D(1) can determine the order of benefits.
- 6. Longer or Shorter Length of Coverage. The Plan that covered the person as an employee, member, policyholder, subscriber or retiree longer is the Primary plan and the Plan that covered the person the shorter period of time is the Secondary plan.
- 7. If the preceding rules do not determine the order of benefits, the Allowable expenses must be shared equally between the Plans meeting the definition of Plan. In addition, This plan will not pay more than it would have paid had it been the Primary plan.

Effect of the Benefits of this Plan. When This plan is secondary, it may reduce its benefits so that the total benefits paid or provided by all Plans during a claim determination period are not more than the total Allowable expenses. In determining the amount to be paid for any claim, the Secondary plan must make payment in an amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim equal one hundred percent of the total Allowable expense for that claim Total Allowable expense is the highest Allowable expense of the Primary plan or the Secondary plan. In addition, the Secondary plan must credit to its plan deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

**Facility of Payment.** If another plan makes a benefit payment that should have been made by us, We have the right to pay the other plan any amount We deem necessary to satisfy Our obligation under these COB rules.

**Right of Recovery.** If the amount of Our benefit payment is more than the amount needed to satisfy Our obligation under these COB rules, We have the right to recover the excess amount from: (A) any persons to or for whom, or with respect to whom, the payments were made; (B) any insurance companies; or (C) any other organizations.

Right to Receive and Release Necessary Information. Certain facts about health care coverage and services are needed to apply these COB rules and to determine benefits payable under This plan and other Plans. Organization responsibility for COB administration may get the facts it needs from or give them to other organizations or persons for the purpose of applying these rules and determining benefits payable under This plan and other Plans covering the person claiming benefits. Organization responsibility for COB administration need not tell, or get the consent of, any person to do this. Each

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person claiming benefits under This plan must give Organization responsibility for COB administration any facts it needs to apply those rules and determine benefits payable..

# **PART IX - CLAIM PROVISIONS**

**Notice of Claim:** Written notice of claim must be given within 31 days after a covered loss begins (or longer, if required by state law) or as soon as is reasonably possible. Failure to give notice within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible. The notice must be given to the Administrator named on the Schedule of Benefits. Notice should include information that identifies the claimant and the Policy.

**Claim Forms:** When the Administrator or We receive notice of claim, forms for filing proof of loss will be sent to the claimant. If claim forms are not supplied within 15 days a claimant can give proof as follows:

- 1. In writing;
- 2. Setting forth the nature and extent of the loss; and
- 3. Within the time stated in the Proof of Loss provision.

If such forms are not furnished before the expiration of 15 days after the insurer receives notice of any claim under the Policy, the person making such claim shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

**Proof of Loss:** Written proof of loss must be given to the Administrator named on the Schedule of Benefits within 90 days after the loss begins. We will not deny nor reduce any claim if it was not reasonably possible to give proof of loss in the time required. In any event, proof must be given to the Administrator within one year, or as otherwise specified by state law, after it is due unless the Insured is legally incapable of doing so.

**Time of Payment of Claim:** Benefits for loss covered by the Policy will be paid as soon as We receive proper written proof of such loss.

**Payment of Claims:** All benefits will be paid to the Insured, if living, unless an Assignment of Benefits has been requested by the Insured. Any other benefits due and unpaid at the Insured's death will be paid to the Insured's estate. If a benefit is to be paid to the Insured's estate, or to an Insured or beneficiary who is not competent to give a valid release, the Company may pay up to \$1,000 of such benefit to one of the Insured's relatives who is deemed by the Company to be justly entitled to it. Such payment, made in good faith, fully discharges the Company to the extent of the payment.

**Physical Examination:** At Our expense, We may have a person claiming benefits examined as often as reasonably necessary while the claim is pending and also the right and opportunity to make an autopsy in the case of death where it is not prohibited by law.

**Third Party Liability:** No benefits are payable to or for a Covered Person for any Sickness, Injury, or other condition for which a third party may be liable or legally responsible by reason of negligence, an intentional act or omission, or breach of any legal obligation on the part of such third party. Nevertheless, the Company may elect to advance the benefits of this Policy to or for a Covered Person. If the Company determines it will advance the benefits of this Policy, such advance(s) will be subject to the following:

- 1. The Covered Person agrees to advise Us, in writing, within 60 days of any Covered Person's claim against the third party and to take such action, provide such information and assistance, and execute such paper as We may require to facilitate enforcement of the claim. The Covered Person and Insured, if other than the Covered Person, also agree to take no action that may prejudice Our rights or interests under this Policy. Failure to provide notice of a claim or to cooperate with Us, or actions that prejudice Our rights or interests, will be material breach of this Policy and will result in the Covered Person and/or the Insured, if other than the Covered Person, being personally responsible for reimbursing Us.
- 2. We will automatically have a lien, to the extent of benefits advanced, upon any recovery that any Covered Person receives from the third party, the third party's insurer, or the third party's guarantor. Recovery may be by settlement, judgment or otherwise. The lien will be in the amount of benefits paid by Us under this Policy for the treatment of the

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Sickness or Injury for which the third party is liable. However, any such rights of recovery afforded to Us are secondary to the Covered Person's rights to be fully compensated for its damages.

3. Legal expenses will be apportioned equitably, whether or not recovery is made.

### PART X - GENERAL PROVISIONS

Entire Contract: The entire contract consists of the Policy, the Application Form, Riders and any other documents requested and accepted by Us. No broker, agent or producer can change or waive any provision of this Policy.

Time Limit on Certain Defenses: All statements made by You or Your Dependents shall be deemed representations and not warranties, and no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or, in the event of the death or incapacity of the Covered Person, to the individual's beneficiary or personal representative. Any misstatement or omission of information made on Your Application Form or on any other materials on which We relied to issue, change or increase coverage will be considered a misrepresentation and may be the basis for later rescission of coverage. The validity of coverage issued under the Policy with respect to an Insured or his Dependents may not be contested after two years from the Policy Effective Date, except for nonpayment of premiums.

Conditions Precedent to Legal Action: Litigation is an expensive and time-consuming way to resolve disagreements we may have related to the coverage, benefits and premiums under this Policy and should be the last resort in dispute resolution. In order to provide an opportunity to resolve such dispute without the need for litigation, You must give Us at least thirty (30) days written notice of Your intent to sue Us as a condition precedent to bringing any action at law or in equity. Such notice must, at a minimum, (1) identify the coverage, benefits or premiums or other aspects of the Policy over which We have a disagreement; (2) identify the specific Policy provision(s) at issue; and (3) include all relevant facts and information that support Your position.

Unless prohibited by law, You agree to waive an action for statutory or common law extra-contractual or punitive damages that You may have if the disputed claims are paid, or the issues giving rise to the disagreement are resolved or corrected within thirty (30) days after We received Your written notice of intention to sue.

Legal Action: No action at law or in equity may be brought to recover on the Policy before 60 days after written proof of loss has been furnished as required by the Policy. No such action may be brought after three years (or the required statute of limitation by state law, if longer) from the time written proof of loss is required to be furnished.

Misstatement of Age: If the age of any Covered Person is incorrectly stated, We will make a fair adjustment of the premiums, benefits or both. The adjustment will be based on the premiums and benefits that would have been payable had We known the correct information.

Not in Lieu of Workers' Compensation: The Policy is not in lieu of and does not affect requirements for coverage under workers' compensation laws.

**Pronouns:** Whenever a personal pronoun in the masculine gender is used, it will be deemed to include the feminine also, unless the context clearly indicates to the contrary.

Conformity With Statutes: Any provision of this Policy which, on the Policy Effective Date, is in conflict with the statutes of the jurisdiction in which the Insured is located is hereby amended to conform to the minimum requirements of such statutes.

Clerical Error: Clerical errors that We or Our authorized Administrator make in Your Schedule of Benefits, the issuance of a Policy, or in record keeping will not afford You benefits or validate insurance for which You have not applied and paid the appropriate premium and been approved by Us. We have the right to offset or recover from You any overpayment of benefits made due to such errors.

Non-Waiver: If We or You fail to enforce or to insist on strict compliance with any of the terms, conditions, limitations or exclusions of this Policy, that will not be considered a waiver of any rights under the Policy. A past failure to strictly enforce the Policy will not be a waiver of any rights in the future, even in the same situation or set of facts.

Washington

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**Rescission:** A misrepresentation or omission in the Application Form or other documents provided to Us may be the basis for later rescission of all coverage of all Covered Persons. Rescission voids all coverage as of the Policy Effective Date and means that no benefits will be paid to any person for any claim submitted. We will refund to You premiums paid after deduction for any claims We paid.

**Medical Records**: The Company shall have access to medical and treatment records of the Covered Persons to determine benefits, process claims, utilization review, quality assurance, or for any other purpose reasonably related to the Policy benefits. Each Covered Person shall complete and submit to the Company such additional consents, releases and other documents as may be requested by the Company in order to determine or provide benefits under the Policy. The Company reserves the right to reject or suspend a claim based on lack of supporting medical information or records.

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# **PART XI - SCHEDULE OF BENEFITS**

INSURED:

**MONTHLY PREMIUM:** \$37.58

POLICY NUMBER: EVS0539810

POLICY EFFECTIVE DATE: July 06, 2017

POLICY TERMINATION DATE: October 05, 2017

**COVERAGE PERIOD:** 3 Months

**COVERED PERSONS RELATIONSHIP** AGE DATE OF BIRTH

COVERAGE AND BENEFIT AMOUNTS: Deductible[s], Copayments, Coinsurance, Out of Pocket Maximum and the Coverage Period Maximum Benefit apply to each Covered Person and for ALL Eligible Expenses, unless otherwise stated.

Plan Deductible\*\*

per Covered Person per Coverage Period. Maximum of 3 Deductibles per family per Coverage Period.

### Copayments\*\*

Copayments do not apply towards the Plan Deductible or Out of Pocket Maximum

\$50 Copayment for one annual Routine Physical Exam. Coinsurance is 100% and benefits are not subject to the

Plan Deductible.

Doctor's Office or Urgent Care Center Visits

Wellness Benefit Copayment

Copayment

\$30 Copayment per visit or consultation per Covered Person, not to exceed a maximum of 3 Doctor's Office or Urgent Care Center Visits Copayments per Covered Person. Coinsurance is 100% of Eligible Expenses and benefits are not subject to the Plan Deductible. Doctor's office or urgent care visits or doctor consultations in excess of the maximum number of Doctor's Office or Urgent Care Center Visits Copayments will be subject to

the Plan Deductible and Coinsurance.

**Coinsurance Amount** 80/20 of Eligible Expenses after the Plan Deductible and

> any Additional Deductibles, up to the Out of Pocket Maximum, then 100% of Eligible Expenses up to the

overall Coverage Period Maximum Benefit.

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### **Out of Pocket Maximum**

\*\*The Deductibles, Copayments, precertification penalties and amounts in excess of the Maximum Allowable Expense do not apply towards the Out-of-Pocket Maximum. \$2,000 per Covered Person per Coverage Period

### **Coverage Period Maximum Benefit**

### Penalty for failure to pre-certify

### \$250,000 per Covered Person

Eligible Expenses will be reduced by 50%; any Deductible(s) will be subtracted from the remaining amount; and the Coinsurance will be applied.

### **Covered Services**

### Inpatient Hospital services:

### **Average Standard Room Rate**

#### Intensive Care or Critical Care Unit

# Outpatient Miscellaneous Hospital Expenses

### **Emergency Room**

(This includes the emergency room physician charge, 24 hours surveillance and all miscellaneous medical charges)

### **Outpatient Surgical Facility**

### Surgeon

### **Assistant Surgeon and Surgical Assistant**

### **Administration of Anesthetics**

### **Doctor's Office Visit or Urgent Care Center**

### **Benefit Limits**

Average Standard room rate Benefits, including nursing services and all miscellaneous medical charges are limited to \$1,000 per day.

The benefit payable for each day of confinement in an Intensive Care or Critical Care Unit. Benefits, including nursing services and all miscellaneous expenses, are limited to \$1,250 per day.

The benefit payable for miscellaneous Outpatient Hospital expenses, excluding Outpatient Surgery. Benefits are limited to \$1,250 per Covered Person per Coverage Period for all Eligible Expenses combined.

The benefit payable for each emergency room visit, including professional and facility services, will not exceed \$250 per visit.

The benefit payable per day including all miscellaneous expenses is limited to \$1,250.

\$5,000 per surgery, for all Eligible Expenses combined, not to exceed \$10,000 per Covered Person per Coverage Period.

\$1,000 per surgery, for all Eligible Expenses combined, not to exceed \$2,000 per Covered Person per Coverage Period.

\$1,000 per surgery, for all Eligible Expenses combined, not to exceed \$2,000 per Covered Person per Coverage Period.

After the Copayment shown above, Coinsurance is 100% of Eligible Expenses and benefits are not subject to the Plan Deductible.

Any other covered services or tests performed as part of the office visit will be subject to the Plan Deductible and Coinsurance.

Office or urgent care center visits or consultations in excess of the maximum number of Doctor's Office Visit or Urgent Care Center Copayments will be subject to the Plan Deductible and Coinsurance.

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The office visit maximum for <u>all</u> Doctor's office or urgent care center visits or consultations, including any other covered services or tests performed as part of the office visit, will not exceed \$2,000 per Covered Person per Coverage Period.

Wellness Benefit

After the Copayment shown above, Coinsurance is 100% of Eligible Expenses and benefits are not subject to the Plan Deductible.

**Extended Care Facility** 

\$150 per day not to exceed a maximum of 30 days per Covered Person per Coverage Period.

**Home Health Care** 

\$50 per visit. There is a limit of 1 visit per day not to exceed a maximum 30 Home Health Care visits per Covered Person per Coverage Period.

**Hospice Care** 

\$2,500 per Covered Person per Coverage Period.

**Ambulance** 

Injury: Sickness: \$250 per transport. \$250 per transport.

Physical, Occupational and Speech Therapy

\$50 per day and 20 visits combined per Covered Person per Coverage Period.

Organ or tissue transplants

\$50,000 per Covered Person per Coverage Period.

Temporomandibular Joint Disorder (TMJ):

\$2,500 per Covered Person per Coverage Period

Kidney Stones

\$1,500 per Covered Person per Coverage Period

Appendectomy

\$2,500 per Covered Person per Coverage Period

Joint or Tendon Surgery

\$2,500 per Covered Person per Coverage Period

**Knee Injury or Disorders** 

\$2,500 per Covered Person per Coverage Period for both left knee and right knee

Acquired Immune Deficiency Syndrome (AIDS) Human Immunodeficiency Virus (HIV)

\$10,000 per Covered Person per Coverage Period

Gallbladder Surgery

\$2,500 per Covered Person per Coverage Period

**Mental Disorders** 

Same as any other Sickness

**Substance Abuse** 

Inpatient:

\$100 per day, 31 day maximum per Covered Person per Coverage Period.

Outpatient:

\$50 per visit, 10 visit maximum per Covered Person per Coverage Period

Pre-Existing Conditions Allowance

Notwithstanding the Pre-Existing Conditions exclusion under Part VII of the Certificate, Eligible Expenses not to exceed 50% of the Plan Deductible per Coverage Period will be allowed. Payment of any benefits, including application to the Deductible and Coinsurance, under this allowance does not waive, or in any manner whatsoever affect, any of the Covered Person's exclusions or limitations, including the Pre-Existing Conditions exclusion.

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# COMPANY'S ADMINISTRATOR/AUTHORIZED REPRESENTATIVE(S):

Send Notice of Claim, Claim Forms, Proof of Loss and any other documents relating to claims to: Name:

Allied National, Inc C/O Global Care

Address: PO BOX 247

City, State and ZIP: Alpharetta, GA 30009-0247

Phone Number: 844-215-3756

Send all other (non-Claim) notices or documentation to:

Name: Health Insurance Innovations
Address: 218 E Bearrs Avenue Ste 325

City, State and ZIP: Tampa, FL 33613 Phone Number: 877-376-5831

# **EVEREST REINSURANCE COMPANY**

Statutory Office: 1209 Orange Street, Wilmington, DE 19801 Administrative Office: 477 Martinsville Road, Liberty Corner, NJ 07938 877-376-5831

(hereafter referred to as "We", "Us", "Our" or "the Company")

### INDIVIDUAL SHORT TERM MEDICAL PLAN INSURANCE APPLICATION FORM

SI	ECTION A				
Da	pplicant Age one Address 11000 115 00 1010		City	State WA	7in 98007
	ome Phone (1990)	Mobile Phone	City (Line Line Line Line Line Line Line Line	State <u>www.</u>	_ ZIP <u>90007</u>
	est time to call a.m.				
Ρle	ease print the full name of all othe	er Proposed Covered Person	ns (Use additional she	et and attach i	f needed).
	Last, First, Middle Initial	Relationship to Applicant	Date of Birth Month, Day, Year	Gender M/F	
BE	NEFIT AND PREMIUM DATA				
(	Deductible \$1,000 Coinsurance 80/20 Coverage Period Maximum \$75	Out of Pocket Maxim	<b>um</b> \$5,000		
Rec	quested Effective Date: 07/22/2	017			
Pay	ment Option: ☐ Monthly – 3 m	nonth plan			
<b>□</b> 8	Single Up Front Number of days (	minimum of 30, maximum o	f 90 days)		
S	ECTION B				
lf +l	ne answer to any question in Se	action R is "Vas " the cove	orago cannot ho issu	od	
1. u 1.					□ Ves 📝 No
2.					
	b. Over 325 pounds if male, or over 275 pounds if female? □ Yes ☑ No				
3.	Will the Applicant or any Proposed Covered Person have any other group major medical health insurance or individual major medical health insurance in force on the requested effective				
	date?				

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4.	Within the last 5 years has any applicant been diagnosed with, received treatment, abnormal test results,		
	medication, or consultation for: Insulin or medication dependent diabetes except gestational, stroke,		
	transient ischemic attack (TIA), cancer or tumor except basal cell skin cancer, Crohn's disease,		
	ulcerative colitis, rheumatoid arthritis, systemic lupus, chronic obstructive pulmonary disease (COPD),		
	emphysema, cystic fibrosis, hepatitis C, multiple sclerosis, muscular dystrophy, alcohol or drug abuse;		
	bipolar disorder or schizophrenia; hospitalization for mental disorder, an eating disorder; or any		
	diseases or disorders of the following: liver, kidney, blood, pancreas, lung, brain, heart or circulatory		
	including heart attack or catheterization?	Yes	☑ No
5.	Within the past 5 years, has the Applicant or any Proposed Covered Person been diagnosed or treated		
	by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related		
	Complex (ARC) or tested positive for Human Immunodeficiency Virus (HIV)?	Yes	☑ No
6	If the Applicant and all Proposed Covered Person(s) are United States citizens, please answer "No" to		
Ο.	this question. If the Applicant or any Proposed Covered Person is not a United States Citizen, has that		
	person resided outside the United States for more than 4 weeks over the last 12 months?	V	. No

### SECTION C

CERTIFICATION— I/We hereby request coverage under the insurance underwritten by Everest Reinsurance Company (Company). I/We understand this insurance contains a Pre-existing Condition exclusion, a Pre-certification Penalty and other restrictions and exclusions. I UNDERSTAND THAT THE POLICY APPLIED FOR WILL NOT PAY BENEFITS FOR ANY LOSS INCURRED DURING THE FIRST 12 MONTHS AFTER THE ISSUE DATE ON ACCOUNT OF DISEASE OR CONDITION WHICH I NOW HAVE OR HAVE HAD IN THE PAST. I/We agree that coverage will not become effective for me or any dependent whose medical status, prior to the effective date, has changed and therefore results in a "yes" answer to any of the medical questions on this Application. If my/our medical status changes in this way, coverage will be declined for all individuals included on this Application. I/We understand that if I/we have elected the Monthly Payment option, my/our credit card will be charged each month or my bank account will be automatically debited on the due date of the premium for 3 months, depending on the plan I/we have selected. I/We understand that I/we may terminate the scheduled payments by notifying the insurance company or its authorized producer in writing at least 30 business days prior to the next scheduled payment date. I/We understand that this coverage is not renewable or extendable. I/We may obtain a complete copy of the Policy upon request. I/We understand that the Company, as underwriter of the plan, is solely liable for the coverage and benefits provided under the insurance. I/We understand and agree that the insurance producer, if any, assisting with this Application is a representative of the Applicant. If coverage is agreed by a representative of the Applicant, the undersigned represents his/her capacity to so act. If coverage is agreed as guardian or proxy of the Applicant, the undersigned represents his/her capacity to so act. By acceptance of coverage and/or submission of any claim for benefits, the Applicant ratifies the authority of the signer to so act and bind the Applicant. If this Application Form is completed electronically, I/we agree that my/our electronic signature serves as my/our original signature. If this Application Form is not completed electronically, I/We agree to provide my/our verbal consent to certify my/our application in lieu of a signature.

THIS IS NOT QUALIFYING HEALTH COVERAGE ("MINIMUM ESSENTIAL COVERAGE") THAT SATISFIES THE HEALTH COVERAGE REQUIREMENT OF THE AFFORDABLE CARE ACT. IF YOU DON'T HAVE MINIMUM ESSENTIAL COVERAGE, YOU MAY OWE AN ADDITIONAL PAYMENT WITH YOUR TAXES.

THIS PLAN PROVIDES LIMITED BENEFIT COVERAGE. IT IS NOT DESIGNED TO COVER ALL MEDICAL EXPENSES AND IT IS NOT A MAJOR MEDICAL OR COMPREHENSIVE HEALTHCARE POLICY. PLEASE READ YOUR POLICY CAREFULLY!

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**Fraud Warning:** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

Applicant's Signature	Date 07.01.0017
Spouse's Signature	Date
Signed by Company Appointed Producer	
Printed Name	License Number

PAYMENT AUTHORIZATION				
CREDIT CARD AND CHECK AUTHORIZATION  Checking Savings	AUTHORIZATION FOR AUTOMATIC BANK DRAFT OR CREET I am signing up for an automatic payment plan. I agree that producer may automatically debit my bank account or Credit around the payment due date. I can cancel this automatic paymriting the Company or its authorized producer at least 30 days that the Company, its authorized producer, or my financial in payment for my account for any reason, at any time, with understand that \$25.00 will be charged for each transaction acknowledge that the origination of these debits to my account agree that this agreement remains in effect until canceled by Comy financial institution, or me. I have a copy of this agreement accompany or its producer for a copy.  Date Signed	the Company or its authorized Card for the amount due on or syment at any time by calling or prior to the next due date. I agree institution can cancel automatic or without prior notice to me. I rejected for insufficient funds. In the must comply with U.S. laws. I company, its authorized producer,		
□ MasterCard □ VISA	Account Holder's name  Billing Address  Account Number  ***********************************	- - -		
	Credit Card Number	Exp. Date		

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# EVEREST REINSURANCE COMPANY

Statutory Office: 1209 Orange Street, Wilmington, DE 19801 Administrative Office: 477 Martinsville Road, Liberty Corner, NJ 07938 877-376-5831

# NONRENEWABLE SHORT TERM LIMITED BENEFIT HEALTH INSURANCE Outline of Coverage

**Read your policy carefully.** This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **read your policy carefully!** 

**Nonrenewable Short Term Limited Benefit Health coverage.** Policies of this category are designed to provide, to persons insured, coverage for hospital and medical-surgical expenses incurred as a result of a covered accident or sickness. Coverage is subject to any limitations, deductibles and copayment requirements set forth in the policy. Coverage is not provided for *unlimited* hospital or medical-surgical expenses.

The following is a brief description of the usual and customary charges for eligible expenses covered under the policy. You are responsible for all deductibles and any coinsurance percentages up to the out of pocket maximum. Benefits will not to exceed a Coverage Period Maximum of [\$250,000, \$750,000, \$1,000,000, \$1,500,000] per Covered Person. The following is a brief summary of the benefits. See your policy for a complete list of all benefits and limitations.

- Hospital Charges medical care and treatment.
- Intensive Care.
- Outpatient Hospital Services.
- Physicians Services for diagnosis, treatment and surgery.
- Assistant surgeon 20% of the surgeon benefit.
- Anesthesia 20% of the surgeon benefit.
- Physician Office Visits and Urgent Care, after the required copayment.
- Routine Physical Exam, after the required copayment.
- Routine Child Health Care.
- X-ray exams, laboratory tests and diagnostic testing.
- Blood or blood derivatives and their administration.
- · Ambulance Services.
- Home Health Care.
- Hospice Care.
- Extended Care Facility.
- Emergency Room, after any applicable deductible.
- Physical, Occupational and Speech Therapy.
- Organ or tissue transplants.

"Usual and Customary Fee" (or "Fees") means the usual, fair and reasonable fee for medical treatment provided to a Covered Person (or any other form of medical care, procedure, drug or supply). In determining a Usual and Customary Fee, the Company consults:

- one (1) or more standard industry sources to calculate services of comparable severity and nature in the same geographical area, the cost of the goods and services reasonably required to produce and deliver such treatment and/or the charge most commonly paid for such treatment. The standard industry sources utilize cost-based formula methodology and/or pricing data (updated semi-annually) to produce replicable and consistent cost and/or pricing parameters.
- 2. the cost to the health care provider of performing or providing the medical treatment, including reasonable allowance for overhead and profit.
- fee schedules used by third parties such as Medicare or Medicaid, including Medicare allowable charge data for Medicare Part B.
- 4. hospital cost data as submitted to Medicare, including Medicare allowable charge data for Medicare Part A.
- 5. prevailing negotiated fee schedules for same or similar services performed in the same geographical area.

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### **Pre-Certification Requirements**

All Inpatient Hospitalizations and procedures done at an Outpatient Surgery Facility must be pre-certified.

- A. To comply with the pre-certification requirements, the Covered Person must:
  - Contact the professional review organization at the following telephone number 1-866-317-5273 as soon as possible <u>before</u> the expense is to be incurred; and
  - 2. Comply with the instructions of the professional review organization and submit any information or documents they require; and
  - 3. Notify all Doctors, Hospitals and other providers that this insurance contains pre-certification requirements and ask them to fully cooperate with the professional review organization.
- B. If the Covered Person complies with the pre-certification requirements, and the expenses are pre-certified, the Company will pay Eligible Expenses subject to all terms, conditions, provisions and exclusions described in this Policy.
- C. If the Covered Person does not comply with the pre-certification requirements, or if the expenses are not pre-certified, Eligible Expenses will be reduced by 50%.
- D. Emergency pre-certification: In the event of an emergency Hospital admission, pre-certification must be made within 48 hours after the admission, or as soon as is reasonably possible.
- E. Pre-certification Does Not Guarantee Benefits The fact that expenses are pre-certified does not guarantee either payment of benefits or the amount of benefits. Eligibility for and payment of benefits are subject to all the terms, conditions, provisions and exclusions of this Policy.
- F. Concurrent Review For Inpatient stays of any kind, the professional review organization will pre-certify a limited number of days of confinement. Additional days of Inpatient confinement may later be pre-certified if a Covered Person receives prior approval.

**Waiting Period.** No benefits are payable for Sicknesses which arise during the first 5 days following a Covered Person's Effective Date. No Benefits are payable for cancer which arises during the first 30 days following a Covered Person's Policy Effective Date.

Pre-Existing Conditions. No benefits are payable for pre-existing conditions. Pre-existing conditions means:

- a. Charges resulting directly or indirectly from a condition for which a Covered Person received medical treatment, diagnosis, care or advice, including diagnostic tests or medications, within the 60 month period immediately preceding such person's Policy Effective Date.
- b. Pre-Existing Conditions includes conditions that produced any symptoms which would have caused a reasonable prudent person to seek diagnosis, care or treatment within the 60 month period immediately prior to the Covered Person's Policy Effective Date of coverage under the policy.

**Exclusions.** Loss caused by, contributed to or resulting from the following is excluded or otherwise limited as specified:

- 1. Charges during the first 3 months after the Policy Effective Date of coverage for a Covered Person for the following:
  - a. Total or partial hysterectomy, unless it is Medically Necessary due to a diagnosis of carcinoma;
  - b. Tonsillectomy;
  - c. Adenoidectomy:
  - d. Repair of deviated nasal septum or any type of surgery involving the sinus;
  - e. Myringotomy;
  - f. Tympanotomy;
  - g. Herniorraphy; or
  - h. Cholecystectomy.

However, if such condition is a Pre-Existing Condition, any benefit consideration will be in accordance with the Pre-Existing Conditions limitation.

- 2. Charges which are not incurred by a Covered Person during his/her Coverage Period.
- 3. Charges which exceed any limits or limitations specified in this Policy, including the Schedule of Benefits.
- 4. Charges for services of supplies in excess of the Maximum Allowable Expense.
- 5. Charges for services or supplies which are not administered by or under the supervision of a Doctor.
- 6. Mental, emotional or nervous disorders or counseling of any type, except as specifically covered as an Eligible Expense.
- 7. Marital counseling or social counseling.
- 8. Treatment for Substance Abuse, unless specifically covered under the Policy as an Eligible Expense.
- 9. Prescription Drugs, except those administered by a Doctor in an Inpatient or Outpatient setting covered under this Policy as an Eligible Expense.
- 10. Medications, vitamins, and mineral or food supplements including pre-natal vitamins, or any over-the-counter medicines, whether or not ordered by a Doctor.

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- 11. Any drug, treatment or procedure that either promotes or prevents conception including but not limited to: artificial insemination, treatment for infertility or impotency, sterilization or reversal of sterilization.
- 12. Any drug, treatment or procedure that corrects impotency or non-organic sexual dysfunction.
- 13. Modifications of the physical body in order to improve the psychological, mental or emotional well-being of the Covered Person, this does not include Medically Necessary services for gender identity disorder or gender dysphoria that would normally be covered under the Policy.
- 14. Cosmetic Treatment, except for reconstructive surgery where expressly covered under the Policy.
- 15. Weight modification or surgical treatment of obesity.
- 16. Eye surgery, including LASIK, when the primary purpose is to correct nearsightedness, farsightedness or astigmatism.
- 17. Dental Expenses, except as necessary to restore or replace sound and natural teeth lost or damaged as a result of an Injury. The Injury must be severe enough that the contact with the Doctor occurs within seventy-two (72) hours of the Accident, unless extenuating circumstances exist due to the severity of the Injury that prevent you from contacting the Doctor.
- 18. Expenses incurred in the treatment by any method for jaw joint problems including temporomandibular joint dysfunction (TMJ), TMJ pain syndromes, craniomandibular disorders, myofacial pain dysfunction or other conditions of the joint linking the jaw bone and skull and the complex of muscles, nerves and other tissues related to the joint, unless specifically covered under the Policy as an Eligible Expense.
- 19. Routine pre-natal care, Pregnancy, child birth, and post natal care. (This exclusion does not apply to "Complications of Pregnancy" as defined.)
- 20. Charges for a Covered Dependent who is a newborn child not yet discharged from the Hospital, unless the charges are Medically Necessary to treat premature birth, congenital Injury or Sickness, or Sickness or Injury sustained during or after birth.
- 21. Sclerotherapy for veins of the extremities.
- 22. Abortions, except in connection with covered Complications of Pregnancy or if the life of the expectant mother would be at risk.
- 23. Joint replacement or other treatment of joints, spine, bones or connective tissue including tendons, ligaments and cartilage, unless related to a covered Injury.
- 24. Surgeries, treatments, services or supplies which are deemed to be Experimental Treatment.
- 25. Chronic fatigue or pain disorders.
- 26. Kidney or end stage renal disease.
- 27. Treatment or diagnosis of allergies, except for emergency treatment of allergic reactions.
- 28. Treatment for cataracts.
- 29. Treatment of sleep disorders.
- 30. Treatment required as a result of complications or consequences of a treatment or condition not covered under this Policy.
- 31. Treatment incurred as a result of exposure to non-medical nuclear radiation and/or radioactive material(s).
- 32. Treatment for acne, moles, skin tags, diseases of sebaceous glands, seborrhea, sebaceous cyst, unspecified disease of sebaceous glands, hypertrophic and atrophic conditions of skin, nevus.
- 33. Treatment for or related to any Congenital Condition, except as it relates to a newborn child or newborn adopted child added as a Covered Person pursuant to the terms of this Policy.
- 34. Treatment, medication or hormones to stimulate growth, or treatment of learning disorders, disabilities, developmental delays or deficiencies, including therapy.
- 35. Spinal manipulation or adjustment.
- 36. Biofeedback, acupuncture, recreational, sleep or MIST Therapy®, holistic care of any nature, massage and kinestherapy, excepted as provided for under Home Health Care.
- 37. Hypnotherapy when used to treat conditions that are not recognized as Mental Disorders by the American Psychiatric Association, and non-medical self-care or self-help programs.
- 38. Eyeglasses, contact lenses, hearing aids, hearing implants, eye refraction, visual therapy, orthoptics, visual eye training and any examination or fitting related to these devices, and all vision and hearing tests and examinations.
- 39. Care, treatment or supplies for the feet, orthopedic shoes, orthopedic prescription devices to be attached to or placed in shoes, treatment of weak, strained, flat, unstable or unbalanced feet, metatarsalgia or bunions and treatment of corns, calluses or toenails.
- 40. Care and treatment for hair loss including wigs, hair transplants or any drug that promises hair growth, whether or not prescribed by a Doctor.
- 41. Exercise programs, whether or not prescribed or recommended by a Doctor.
- 42. Telephone or Internet consultations and/or treatment or failure to keep a scheduled appointment.
- 43. Charges for travel or accommodations, except as expressly provided for local ambulance.
- 44. All charges incurred while confined primarily to receive Custodial or Convalescent Care.
- 45. Services received or supplies purchased outside the United States, its territories or possessions, or Canada.
- 46. Any services or supplies in connection with cigarette smoking cessation.
- 47. Any services performed or supplies provided by a member of a Covered Person's Immediate Family.

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- 48. Services received for any condition caused by a Covered Person's commission of or attempt to commit an assault, battery, or felony, whether charged or not, or to which a contributing cause was the Covered Person being engaged in an illegal occupation.
- 49. Services or supplies which are not included as Eligible Expenses as described herein.
- 50. Participating in hazardous occupations or other activity including participating, instructing, demonstrating, guiding or accompanying others in the following: operation of a flight in an aircraft other than a regularly scheduled flight by a commercial airline, professional or semi-professional sports, extreme sports, parachute jumping, hot-air ballooning, hang-gliding, base jumping, mountain climbing, bungee jumping, scuba diving, sail gliding, parasailing, parakiting, rock or mountain climbing, cave exploration, parkour, racing including stunt show or speed test of any motorized or non-motorized vehicle, rodeo activities, or similar hazardous activities. Also excluded is Injury received while practicing, exercising, undergoing conditional or physical preparation for such activity.
- 51. Injuries or Sicknesses resulting from participation in interscholastic, intercollegiate or organized competitive sports. This does not include dependent children participating in local community sports activities.
- 52. Intentionally self-inflicted Injury or Sickness (whether the Covered Person is sane or insane).
- 53. Charges resulting from a declared or undeclared war, or from voluntary participation in a riot or insurrection.
- 54. Charges incurred by a Covered Person while on active duty in the armed forces. Upon written notice to Us of entry into such active duty, the unused premium will be returned to the Covered Person on a pro-rated basis.
- 55. Costs for Routine Physical Exams or other services not needed for medical treatment, unless specifically covered under the Policy as an Eligible Expense.
- 56. Charges You or Your Covered Dependent are not required to pay, or which would not have been billed, if no insurance existed.
- 57. Charges that are eligible for payment by Medicare or any other government program except Medicaid. Costs for care in government institutions unless You or Your Covered Dependent are obligated to pay for such care.
- 58. Charges related to Injury or Sickness arising out of or in the course of any occupation for compensation, wage or profit, if the Covered Person is insured, or is required to be insured, by occupational disease or workers' compensation insurance pursuant to applicable state or federal law, whether or not application for such benefits have been made.
- 59. Medical expenses which are payable under any automobile insurance policy without regard to fault (does not apply in any state where prohibited).

Renewability. Coverage under this policy is NON-RENEWABLE.

THIS IS A SHORT TERM MEDICAL INSURANCE PLAN THAT IS NOT INTENDED TO QUALIFY AS THE MINIMUM ESSENTIAL COVERAGE REQUIRED BY THE AFFORDABLE CARE ACT (ACA). UNLESS THE INSURED AND ANY DEPENDENTS PURCHASE A PLAN THAT PROVIDES MINIMUM ESSENTIAL COVERAGE IN ACCORDANCE WITH THE ACA, INSUREDS AND DEPENDENTS MAY BE SUBJECT TO A FEDERAL TAX PENALTY. ALSO, THE TERMINATION OR LOSS OF THIS POLICY DOES NOT ENTITLE INSUREDS OR DEPENDENTS TO A SPECIAL ENROLLMENT PERIOD TO PURCHASE A HEALTH BENEFIT PLAN THAT QUALIFIES AS MINIMUM ESSENTIAL COVERAGE OUTSIDE OF AN OPEN ENROLLMENT PERIOD.

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### EVEREST REINSURANCE COMPANY

Statutory Office: 1209 Orange Street, Wilmington, DE 19801 Administrative Office: 477 Martinsville Road, Liberty Corner, NJ 07938 877-376-5831

(hereafter referred to as "We", "Us", "Our" or "the Company")

#### SHORT TERM MEDICAL INSURANCE INDIVIDUAL POLICY

**THIS POLICY IS ISSUED AND DELIVERED IN THE STATE OF WASHINGTON** and shall be governed by its laws. This Policy is the contract between the Insured and Everest Reinsurance Company. This Policy contains the terms under which We agree to insure eligible persons and pay benefits, subject to the terms and conditions herein.

**CONSIDERATION -** This Policy is issued in consideration of the statements made in the Application Form and payment of the initial premium. Coverage is not provided until the first full premium is paid. The first premium pays for the initial term of coverage. The initial term of coverage begins at 12:01 A.M., local time on the Policy Effective Date at the Insured's Residence.

**PREMIUMS** - Premiums are due as stated in the section titled "Premiums".

#### THIS POLICY PROVIDES NON-RENEWABLE SHORT TERM INSURANCE

**NO CONTINUOUS COVERAGE** – This Policy provides coverage on a short term basis. It is not renewable. Although this short term plan may be rewritten for new and completely separate Coverage Periods (as long as You meet eligibility criteria), coverage does not continue from one Policy to another. This means that a new Application Form must be submitted, a new Effective Date is given, and a new Pre-Existing Condition exclusion period begins. Any medical condition which may have occurred and/or existed under a prior Policy will be treated as a Pre-Existing Condition under the new Policy. This Policy will terminate on the earlier of the expiration of the Grace Period, if a monthly premium is due and unpaid, or 12:01 A.M., local time on the Policy Termination Date at the Insured's residence.

#### 10 DAY RIGHT TO RETURN THE POLICY

If for any reason the Insured is not satisfied with this Policy, the Insured may return it to Us within 10 days after the Insured receives it. We will refund any premium paid and the Policy will be deemed void, just as though it had not been issued. An additional ten percent penalty shall be added to any premium refund due which is not paid within thirty days of return of the policy to the Company.

For: Everest Reinsurance Company

COVERAGE FOR INSUREDS AND ANY DEPENDENTS WILL NOT BE RENEWED AT THE END OF THEIR

THIS IS NOT QUALIFYING HEALTH COVERAGE ("MINIMUM ESSENTIAL COVERAGE") THAT SATISFIES THE HEALTH COVERAGE REQUIREMENT OF THE AFFORDABLE CARE ACT. IF YOU DON'T HAVE MINIMUM ESSENTIAL COVERAGE, YOU MAY OWE AN ADDITIONAL PAYMENT WITH YOUR TAXES.

**COVERAGE PERIOD. READ YOUR POLICY CAREFULLY** 

**LIMITED BENEFITS, PLEASE READ CAREFULLY.** No benefits are payable for Sicknesses which arise during the first 5 days following a Covered Person's Effective Date. No Benefits are payable for cancer which arises during the first 30 days following a Covered Person's Policy Effective Date. See **PART VII – EXCLUSIONS AND LIMITATIONS** for details.

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#### IMPORTANT NOTICE CONCERNING STATEMENTS IN THE APPLICATION FORM

Please read the Application Form and all documents attached to this Policy. Omissions or misstatements in the Application Form or any attached documents may cause Us to deny an otherwise valid claim or rescind coverage. Carefully check all documents. You must advise Our Underwriting Department at the address or numbers listed above within 10 days of the receipt of this Policy, or notice electronically that the Policy is available, if any information or medical history is incomplete, incorrect, or has changed since the date of the Application Form.

#### PART I - GENERAL DEFINITIONS

"Accident" means an act or event which: (a) is unforeseen, unexpected and unanticipated and is the direct cause of a loss covered under the Policy; (b) is definite as to time and place; (c) is not a Sickness; and (d) occurs on or after the Policy Effective Date and while insurance is in effect for a Covered Person.

**Application Form**" means the form(s) that You (and Your spouse, if any) signed, or otherwise certified, in order to apply for coverage under the Policy. It also includes any other document approved by the Company that You use to change coverage under the Policy.

"Advanced Diagnostic Studies" means advanced radiological diagnostic testing, such as MRI; nuclear medicine scans and imaging, including PET scan; CT scan; and ultrasound guided procedures.

"Civil Union" means a same sex relationship, similar like marriage, that is recognized by law.

"Coinsurance" means the percentage amount the Company will pay of the Eligible Expenses that the Insured and the Company share after the applicable Deductibles and Copayments are met. Coinsurance does not include Deductibles, Copayments, penalty coinsurance for failure to pre-certify required services or any charges in excess of the Maximum Allowable Expense.

"Complications of Pregnancy" means either of these two general types of conditions:

- 1. Conditions requiring Inpatient treatment (when pregnancy is not terminated);
- 2. Whose diagnoses are distinct from pregnancy but are adversely affected or caused by pregnancy, such as acute nephritis, nephrosis, cardiac decompensation, missed abortion and similar medical and surgical conditions of comparable severity, but shall not include hyperemesis gravidarum, preeclampsia, false labor, occasional spotting, Doctor prescribed rest during the period of pregnancy, morning sickness, and other similar conditions associated with the management of a difficult pregnancy not constituting a nosologically distinct complication of pregnancy; and
- 3. Non-elective or emergency cesarean section, ectopic pregnancy that is terminated, and spontaneous termination of pregnancy that occurs during a period of gestation in which a viable birth is not possible.
- "Congenital Condition" means a disease or other anomaly existing at or before birth, whether acquired during development or by heredity.
- "Copayment" means a designated amount that must be paid by a Covered Person for each medical service, including consultations and follow ups, that is subject to a Copayment amount. Copayments do not apply to any Deductible or to the Out of Pocket Maximum.
- "Cosmetic Treatment" means treatments, procedures, services or supplies that change or improve appearance without significantly improving physiological function and without regard to any intended or actual improvement to the psychological consequences resulting from an Injury, Sickness or Congenital Condition.
- "Coverage Period" means the length of time for which the Insured selected coverage in the Insured's Application Form and approved by Us not to exceed a period of less than three (3) months commencing as of the Policy Effective Date.
- "Coverage Period Maximum Benefit" means the total aggregate amount of benefits We will pay under this Policy for each Covered Person which are incurred during the Coverage Period. The Coverage Period Maximum Benefit applies to all Eligible Expenses under this Policy.
- "Covered Person" means You and Your covered Dependents, listed as a Covered Person in the Schedule of Benefits and for whom premium has been paid.
- "Custodial or Convalescent Care" means any care that is provided to a Covered Person who is disabled and needs help to support the essential activities of daily living when the Covered Person is not under active and specific medical, surgical, or psychiatric treatment that will reduce the disability to the extent necessary for the person to perform the essentials of daily living on his own.

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"Deductible" means the amount of Eligible Expenses that must actually be paid by each Covered Person during any Coverage Period before any benefits are payable. The Deductible(s) are shown in the Schedule of Benefits and do not include any Copayment amounts.

"Dental Expenses" means treatment, procedures, services or supplies, including oral appliances, to diagnose, prevent, or correct any ailments or defects of the teeth and supporting tissue. Expenses for such treatment, procedures, services or supplies are considered Dental Expenses regardless of the reason they are provided.

#### "Dependent" means Your family as follows:

- 1. The lawful spouse\*, if not legally separated or divorced who is under age 64 and 11 months and is not a full-time active duty member in the armed forces other than for reserve duty of 30 days or less;
- 2. Children (whether natural, stepchildren, adopted, or children placed for adoption, this includes children of a Domestic Parnter) under the limiting age of 26 and is not a full-time active duty member in the armed forces other than for reserve duty of 30 days or less; or
- 3. Children for whom You are required to provide insurance under a medical support order or an order enforceable by a court.

\*The term "lawful spouse" as used throughout this Policy will also mean Your legal Domestic Partner or Civil Union partner.

"Domestic Partner" means an opposite or same sex person with whom You maintain a committed relationship and share a familial relationship characterized by mutual caring and the sharing of a mutual residence and who has registered under state law as a domestic partner. Each partner must:

- 1. Be at least 18 years old and competent to contract
- 2. Be the sole domestic partner of the other person; and
- 3. Not be married.

"**Doctor**" means any duly licensed practitioner who is recognized by the law of the state in which treatment is received as qualified to perform the service for which claim is made and who is not a member of Your immediate family.

"Eligible Expense" means those expenses incurred for a covered Injury or Sickness:

- 1. which are for Medically Necessary services, supplies, or treatment, except for preventative services where expressly covered by this Policy;
- 2. which are prescribed or provided by a Doctor;
- 3. which are incurred while coverage is in force for a Covered Person;
- 4. which are not in excess of the Maximum Allowable Expense:
- 5. for which a Covered Person is legally liable; and
- 6. which are not otherwise excluded by this Policy or exceed any limits or amounts payable under this Policy.

The fact that a Doctor has prescribed, recommended, approved, or provided a treatment, service or supply does not, in itself, make such treatment, service or supply a Medically Necessary covered Eligible Expense.

"Experimental or Investigational Treatment" means a treatment, drug, device, procedure, supply or service and related services (or any portion thereof, including the form, administration or dosage) for a particular diagnosis or condition when any one of the following exists:

- 1. The treatment, drug, device, procedure, supply or service is in any clinical trial or a Phase I, II or III trial.
- 2. The treatment, drug, device, procedure, supply or service is not yet fully approved or recognized (for other than experimental, investigational, research or clinical trial purposes) by the National Cancer Institute (NCI), Food & Drug Administration (FDA), or other pertinent governmental agency or professional organization.
- 3. The results are not proven through controlled clinical trials with results published in peer-reviewed English language medical journals, to be of greater safety and efficacy than conventional treatment, in both the short and long term.
- 4. The treatment, drug, device, procedure, supply or service is not generally accepted medical practice in the state where the Covered Person resides or as generally accepted throughout the United States, by reference to any one or more of the following: peer-reviewed English-language medical literature, consultation with physicians, authoritative medical compendia, the American Medical Association, or other pertinent professional organization or governmental agency.
- 5. The treatment, drug, device, procedure, supply or service is described as investigational, experimental, a study, or for research or the like in any consent, release or authorization which the Covered Person, or someone acting on his or her behalf, may be required to sign.

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In determining whether services are Experimental or Investigational, we will consider whether the services are in general use in the medical community in the state of Washington, whether the services are under continued scientific testing and research, whether the services show a demonstrable benefit for a particular illness or disease, and whether they are proven to be safe and efficacious. Any denial of benefits will be provided in writing within 20 working days of receipt of the fully documented appeal. When the initial decision to deny benefits or to refuse to preauthorize services is upheld upon appeal, the written notice shall set forth: (i) the basis for the denial of benefits or refusal to preauthorize services; and (ii) the name and professional qualifications of the person or persons reviewing the appeal. Whenever the Company makes an adverse determination and delay would jeopardize the Covered Person's life or materially jeopardize the Covered Person's health, the Company will expedite and process either a written or an oral appeal and issue a decision no later than seventy-two hours after receipt of the appeal.

The fact that a procedure, service, supply, treatment, drug, or device may be the only hope for survival will not change the fact that it is otherwise experimental in nature.

"Extended Care Facility" means an institution, other than a Hospital, operated and licensed pursuant to law, that provides:
(a) permanent and full-time facilities for the continuous skilled nursing care of three (3) or more sick or injured persons on an Inpatient basis during the convalescent stage of their Sicknesses or Injuries; (b) full-time supervision of a Doctor; (c) twenty-four (24) hour a day nursing service of one or more nurses; and (d) is not, other than incidentally, a rest home or a home for custodial care or for the aged. Extended Care Facility does not include an institution that primarily engages in the care and treatment of drug addiction or alcoholism.

"Home Health Care Agency" means an entity licensed by state or local law operated primarily to provide skilled nursing care and therapeutic services in an individual's home and:

- 1. Which maintains clinical records on each patient;
- 2. Whose services are under the supervision of a Doctor or a licensed graduate registered nurse (RN); and
- 3. Which maintains operational policies established by a professional group including at least one Doctor and one licensed graduate registered nurse (RN).

"Home Health Care Plan" means a program for continued care and treatment of an individual established and approved in writing by the individual's attending Doctor. As part of the plan, an attending Doctor must certify that proper treatment of the Injury or Sickness would require continued confinement in a Hospital in the absence of the services and supplies.

"Hospital" means an institution operated by law for the care and treatment of Injuries or Sicknesses; has organized facilities for diagnosis and surgery or has a contract with another Hospital for these services; and has 24-hour nursing service. Hospital excludes any institution that is primarily a rest home, nursing home, assisted living facility, Custodial or Convalescent Care facility, Extended Care Facility, a home for the aged, an alcoholism or drug addiction treatment facility or a facility for treatment of Mental Disorders.

"Immediate Family" means the parents, lawful spouse, children, or siblings of a Covered Person, or any person residing with a Covered Person.

"Injury" means Accidental bodily Injury of a Covered Person:

- 1. Caused by an Accident; and
- 2. That results in covered loss directly and independently of all other causes.

All Injuries sustained in one Accident, including all related conditions and recurring symptoms of the Injuries, will be considered one Injury.

"Inpatient" means a Covered Person who incurs medical expenses for at least one day's room and board from a Hospital.

"Insured" means the Applicant named in the attached Application Form and to whom the Policy is issued.

"Intensive Care or Critical Care Unit" means that part of a Hospital service specifically designed as an intensive care or critical care unit permanently equipped and staffed to provide the highest level of care for critically ill or Injured patients,

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including a Coronary Care Unit and Neonatal Intensive Care Unit. Coverage includes close observation by trained and qualified personnel whose duties are primarily confined to the part of the Hospital for which an additional charge is made.

"Maximum Allowable Expense" means the maximum charge that will be considered as an Eligible Expense will be the lesser of billed charges, the Usual and Customary Fee, or the maximum benefit under this Policy, or 150% of the Medicare allowable charge.

"Medically Necessary" means that, based on generally accepted current medical practice, a service or supply is necessary and appropriate for the diagnosis or treatment of Injury or Sickness. We do not consider a service or supply as Medically Necessary if:

- 1. It is provided only as a convenience to the Covered Person or provider;
- 2. It is not appropriate treatment for the Covered Person's diagnosis or symptoms;
- 3. It exceeds (in type, scope, site, duration or intensity) that level of care that is needed to provide safe, adequate and appropriate diagnosis or treatment;
- 4. It is Experimental or Investigational.

The fact that a Doctor may prescribe, order, recommend or approve a service or supply does not, of itself, make the service or supply Medically Necessary.

"Mental Disorder" means Medically Necessary outpatient and inpatient services provided to treat mental disorders covered by the diagnostic categories listed in the most current version of the diagnostic and statistical manual of mental disorders, published by the American psychiatric association, on July 24, 2005, or such subsequent date as may be provided by the insurance commissioner by rule, consistent with the purposes of chapter 6, Laws of 2005, with the exception of the following categories, codes, and services: (a) Substance related disorders; (b) life transition problems, currently referred to as "V" codes, and diagnostic codes 302 through 302.9 as found in the diagnostic and statistical manual of mental disorders, 4th edition, published by the American psychiatric association; (c) skilled nursing facility services, home health care, residential treatment, and custodial care; and (d) court-ordered treatment unless the Company's medical director or designee determines the treatment to be Medically Necessary.

"Occupational Therapy" means constructive therapeutic activity designed and adapted to promote the restoration of useful physical function. Occupational Therapy does not include educational training or services designed and adapted to develop a physical function.

"Out Of Pocket Maximum" means an amount of allowable expenses that is the responsibility of each Covered Person to meet before the Company will begin paying the expenses at 100%. It does not include Deductibles, Copayments, penalty coinsurance for failure to pre-certify required services or charges in excess of the Maximum Allowable Expense. Once the Out of Pocket Maximum is met, the Policy will begin paying 100% of Eligible Expenses for the remainder of the Coverage Period, not to exceed Coverage Period Maximum Benefit and any applicable benefit limits.

"Outpatient" means a Covered Person who incurs medical expenses at Doctor's offices and freestanding clinics, and at Hospitals when not admitted as an Inpatient.

"Outpatient Surgical Facility" means a licensed medical facility or a part of a Hospital:

- With an organized staff of Doctors;
- 2. That is permanently equipped and operated primarily for the purpose of performing surgical procedures;
- 3. That does not provide accommodations for overnight stays; and
- 4. That provides continuous Doctor services and nursing services whenever a patient is in the facility.

The term "Outpatient Surgical Facility" does not include a:

- 1. Hospital emergency room or free-standing emergency room;
- 2. Trauma center:
- 3. Doctor's office; or
- 4. Urgent care center.

"Physical Therapy" means the treatment of a disease, Injury or condition by physical means by a Doctor or a registered professional physical therapist under the supervision of a Doctor and which is designed and adapted to promote the restoration of a useful physical function. Physical Therapy does not include educational training or services designed and adapted to develop a physical function.

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"Policy Effective Date" is the date coverage begins under the Policy. Each Covered Person's Effective Date is shown in the Schedule of Benefits. It will be different for a Covered Person added to the Policy after the original date of issue or when a change in coverage for any Covered Person occurs.

"Prescription Drug" means any medication or medicinal substance which has been approved by the U.S. Food and Drug Administration for general use and which can, under federal or state law, be dispensed only pursuant to a Prescription Order (a legend drug). Insulin and the syringes necessary for its injection are considered Prescription Drugs.

"Routine Physical Exam" means examination of the physical body by a Doctor for preventive or informative purposes only, and not for the diagnosis or treatment of any condition.

"Sickness" means a Covered Person's illness, disease, Complication of Pregnancy, or condition that:

- 1. Is treated by a Doctor while the person is covered under the Policy; and
- 2. Results directly and independently of all other causes covered by the Policy.

"Specialists" means doctors who have completed advanced education and clinical training in a specific area of medicine.

"Speech Therapy" means the treatment for the correction of a speech impairment resulting from disease, trauma, congenital anomalies, previous therapeutic processes, psycho-social speech delay, behavioral problems, attention disorder, conceptual handicap or mental retardation and which is designed and adapted to promote the restoration of a useful physical function.

"Substance Abuse" means alcohol, drug (whether prescribed by a Doctor or not) or chemical abuse, overuse or dependency and the resultant physiological and/or psychological effects requiring medical treatment, procedures, services or supplies, including detoxification.

"Surgery or Surgical Procedure" means an invasive diagnostic procedure; or the treatment of Injury or Sickness by manual or instrumental operations performed by a Doctor while the patient is under general or local anesthesia.

"Usual and Customary Fee" (or "Fees") means the usual, fair and reasonable fee for medical treatment provided to a Covered Person (or any other form of medical care, procedure, drug or supply). In determining a Usual and Customary Fee, the Company consults:

- one (1) or more standard industry sources to calculate services of comparable severity and nature in the same geographical area, the cost of the goods and services reasonably required to produce and deliver such treatment and/or the charge most commonly paid for such treatment. The standard industry sources utilize cost-based formula methodology and/or pricing data (updated semi-annually) to produce replicable and consistent cost and/or pricing parameters.
- 2. the cost to the health care provider of performing or providing the medical treatment, including reasonable allowance for overhead and profit.
- 3. fee schedules used by third parties such as Medicare or Medicaid, including Medicare allowable charge data for Medicare Part B.
- 4. hospital cost data as submitted to Medicare, including Medicare allowable charge data for Medicare Part A.
- 5. prevailing negotiated fee schedules for same or similar services performed in the same geographical area.

"You" (or "Your" or "Yours") means the Insured.

### PART II – ELIGIBILITY AND EFFECTIVE DATE OF INSURANCE

Coverage will be effective for You and Your Covered Dependent(s), as of the approved Policy Effective Date, provided:

- 1. You meet the eligibility requirements set forth in the Application Form and the Policy;
- 2. Your Application Form is approved by Us;
- 3. The first premium payment is received on or before the date Your Application Form is approved by Us.

**Newborn Child Coverage:** A child of the Insured born while the Policy is in force is covered for Injury and Sickness (including Medically Necessary care and treatment of a Congenital Condition, birth abnormality and premature birth), as well as routine newborn care, which includes any hearing loss screening tests of newborns and infants provided by the

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hospital before discharge. Coverage for a child born after the Policy Effective Date will be effective from the moment of birth and will remain in force for 60 days, or until this Policy terminates, whichever is sooner. A notice of birth, together with any additional premium, must be submitted to us within 60 days of the birth in order to continue coverage for Injury and Sickness beyond the initial 60-day period.

Adopted Children Coverage: Coverage for Injury or Sickness (including Medically Necessary care and treatment of a Congenital Condition, birth abnormality and premature birth) for a child adopted by You, a minor child who comes under Your legal obligation for total or partial support of a child in anticipation of adoption or a child placed with You for the purpose of adoption after the Policy Effective Date will be effective for the first 60 days, or until this Policy terminates, whichever is sooner. Coverage for such child will be at either the date of placement of the child in the home, or the date of the final decree of adoption, whichever is earlier. To continue coverage beyond 60 days, an Insured must enroll the adopted child and pay any required premium within 60 days from either the date of placement or the final decree of adoption. The coverage of such child will be the same as provided for other members of the Insured's family.

#### PART III - TERMINATION OF INSURANCE

Coverage under the Policy will cease at 12:01 a.m. for a Covered Person, based on the time zone in the place where the Insured resides, on the earliest of the following:

- 1. The date premiums are not paid in accordance with the terms of the Policy, subject to the Grace Period;
- 2. On the next premium due date after the Company receives a written request from the Insured to terminate coverage, or any later date stated in the request;
- 3. The date an Insured performs an act or practice that constitutes fraud, or is found to have made a misrepresentation of material fact, relating in any way to the Policy, including claims for benefits under the Policy;
- 4. The date of the Insured's death or the termination date of the Insured's coverage, if the Insured's spouse is not covered under the Policy;
- 5. The Policy Termination Date stated on Your Schedule of Benefits.
- 6. The date that You enter full-time active duty in the armed forces of any country or international organization other than for reserve duty of 30 days or less;
- 7. The date other major medical insurance coverage becomes effective for a Covered Person;
- 8. The date You become eligible for Medicare;
- 9. The date that insurance under the Policy is discontinued; or
- 10. Any premium due date We elect to terminate the Policy by giving the Insured at least 30 days advance written notice.

#### **TERMINATION UPON INSURED'S DEATH**

The Insured will cease to be a Covered Person on the date of their death. If the Insured's spouse is a Covered Person when the Insured dies, the spouse will become the Insured.

#### **TERMINATION OF SPOUSE'S COVERAGE**

The Insured's spouse will cease to be a Covered Person at the earlier of:

- 1. The date of their death;
- 2. The date the spouse and Insured become legally divorced or legally separated;
- 3. The date the spouse becomes eligible for Medicare; or
- 4. The date that the spouse enters full-time active duty in the armed forces of any country or international organization other than for reserve duty of 30 days or less.

#### TERMINATION OF A CHILD'S COVERAGE

A child's coverage will terminate on the at the earlier of:

- 1. The date the child ceases to meet the requirements of a Dependent; or
- 2. The date that the child enters full-time active duty in the armed forces of any country or international organization other than for reserve duty of 30 days or less.

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#### CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD

Coverage for a Dependent child, who reaches the limiting age as defined in the definition of Dependent, will continue if the child continues to be both:

- 1. Incapable of self-sustaining employment by reason of developmental disability or physical handicap; and
- 2. Remains dependent upon the Insured for support and maintenance.

Coverage for such child will continue while the coverage is in force and so long as such incapacity continues and the applicable premium is paid.

#### CONTINUATION OF COVERAGE FOR A COVERED DEPENDENT

If termination is due to Your death or divorce, a Covered Dependent may elect to continue coverage beyond the Termination Date without a physical examination, statement of health or other proof of insurability by making written request for such coverage and by continuing payments toward the cost of that insurance. When such an election is made, Your Covered Dependent spouse will be considered the Insured Person. If there is no Covered Dependent spouse, the Covered Dependent child will be considered the Insured Person.

#### **EXTENSION OF BENEFITS**

If a Covered Person is Hospital confined on the date insurance ends, other than for failure to pay the required premium, benefits will be continued only for the condition causing the Hospital confinement until the earlier of:

- 1. the date such Hospital confinement ends;
- 2. the date when treatment for the condition causing the Hospital confinement is no longer required;
- 3. the date following a time period equal to the number of days in the Covered Person's Coverage Period, with a minimum of thirty (30) days not to exceed a maximum of ninety (90) days;
- 4. the date the Covered Person becomes eligible for any other major medical plan, including Medicaid or Medicare, providing coverage for the same conditions causing the Hospital Confinement; or
- 5. the date the Coverage Period Maximum Benefit under the Policy has been reached.

Benefits payable due to the Extension of Benefits provision after the expiration date or when a Covered Person's coverage ends, are subject to new Deductible(s).

#### **PART IV - PREMIUMS**

- 1. Unless the single payment option has been chosen, premium due dates for an Insured will be on the Policy Effective Date and then the same date of each following calendar months. If a month has fewer days than the scheduled premium due date, premium will be due on the last day of the month. All insurance shall be charged from and to the premium due date.
- 2. Upon Your death, or when a change in benefits, change in Dependents, or clerical error affects premiums, an equitable adjustment in premiums shall be made on the premium due date next following the date of the change or the discovery of the error. Any premium adjustment that involves collecting earned premiums, or returning unearned premium shall be limited to the six (6) months immediately preceding the date of determination that the adjustment in premium should be made. A "change in Dependents" is when a Dependent is added pursuant to the terms of this Policy as a Covered Person or ceases to be a Covered Person pursuant to the terms of this Policy.
- 3. Premiums shall be payable in advance to Us at Our Home Office or Administrator's Office.
- 4. Grace Period. You have a 31-day Grace Period for the payment of each premium due after the first premium. Your coverage will continue in force during the Grace Period unless You have given Us prior written notice of termination. If such a premium is not paid by the end of the Grace Period, all such insurance will end as of the due date of such premiums, and no expenses incurred during the Grace Period will be considered for benefits.
- 5. The Policy does not share in the surplus earnings of the Company and no refund or assessment shall be made to the Insured or Dependent of any excess or deficit earnings of the Company.

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#### PART V - BENEFITS

This Part explains how We will pay benefits under the Policy. The section entitled **ELIGIBLE EXPENSES** lists the types of medical care that We cover and to what extent. In order for Us to pay benefits, You or the Covered Person must meet the following conditions:

- 1. You or a Covered Person must receive medical care while coverage under the Policy is in force for such person;
- 2. Medical care must not be excluded under PART VII EXCLUSIONS AND LIMITATIONS; and
- 3. Medical care must consist of services or supplies that a Doctor has prescribed and that are Medically Necessary for the diagnosis or treatment of a covered Injury or Sickness.

#### **WHAT WE PAY**

Benefits are payable under the Policy after a Covered Person incurs charges for Eligible Expenses in excess of any applicable Additional Deductible, and then the Plan Deductible or Copayment, unless otherwise specified. Benefits will be paid at the Coinsurance amount shown in the Schedule of Benefits. Once the Out of Pocket Maximum amount is reached, the Coinsurance amount for the remainder of the Coverage Period is 100%. All benefits payable are subject to the Coverage Period Maximum Benefit. Your Schedule of Benefits shows Your Plan Deductible, Additional Deductibles, Copayment, the Coinsurance amount paid by the Company, Out of Pocket Maximum amount and Coverage Period Maximum Benefit. Reimbursement is also subject to any benefit limitations shown in the Schedule of Benefits. Eligible Expenses for the same treatment or service that are applicable to more than one benefit limitation shown in the Schedule of Benefits will be applied toward all applicable limitations. The Covered Person's provider may charge more than the limits established by this Policy's definition of Usual and Customary Fee and any such additional charges may be billed by the provider to the Covered Person and will not be covered under this Policy.

#### PLAN DEDUCTIBLE

The Plan Deductible is the amount of Eligible Expenses a Covered Person must incur during a Coverage Period before We pay benefits.

#### **FAMILY DEDUCTIBLE MAXIMUM**

Once 3 Covered Persons have met their respective Plan Deductible in a Coverage Period, no further Plan Deductible will be required for the remainder of the Coverage Period. The Family Deductible Maximum does not apply to any additional Deductibles, which still must be satisfied if applicable.

#### ADDITIONAL DEDUCTIBLES (If Applicable):

**OUTPATIENT SURGERY DEDUCTIBLE** – When applicable, an additional Deductible that must be satisfied for Eligible Expenses incurred for Surgery performed in an Outpatient Surgical Facility. There is a maximum of 3 Outpatient Surgery Deductibles per Covered Person per Coverage Period. Surgeries in excess of the maximum number of Outpatient Surgery Deductibles will remain subject to the Plan Deductible and Coinsurance.

**EMERGENCY ROOM DEDUCTIBLE** – When applicable, an additional Deductible must be paid for Eligible Expenses incurred for use of an emergency room in the event of Sickness or Injury. The Emergency Room Deductible is waived if the Covered Person is directly admitted as an Inpatient for further treatment after which the Plan Deductible and Coinsurance will apply.

**ADVANCED DIAGNOSTIC STUDIES DEDUCTIBLE** – When applicable, an additional Deductible must be satisfied per occurrence for Eligible Expenses incurred in an Outpatient setting for Advanced Diagnostic Studies, after which the Plan Deductible and Coinsurance will apply.

#### **COPAYMENT AMOUNTS:**

**WELLNESS BENEFIT COPAYMENT** – A Copayment must be paid when Eligible Expenses are incurred for an annual Routine Physical Exam.

**DOCTOR'S OFFICE OR URGENT CARE CENTER VISIT COPAYMENT** - A Copayment must be paid for Eligible Expenses incurred for each Doctor's office or urgent care center visit with a Doctor or a Doctor consultation and if applicable, not to exceed a maximum of 3 Doctor's Office or Urgent Care Center Visit Copayments per Covered Person. Doctor's office or urgent care visits or doctor consultations in excess of the maximum number of Doctor's Office or

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Urgent Care Center Visit Copayments will be subject to the Plan Deductible and Coinsurance. Any other services or tests performed as part of the office visit will be subject to the Advanced Diagnostic Studies Deductible (if applicable), Plan Deductible and Coinsurance.

#### **COVERAGE PERIOD MAXIMUM BENEFIT**

All benefits under this Policy are subject to the Coverage Period Maximum Benefit shown in the Schedule of Benefits.

#### PART VI – ELIGIBLE EXPENSES

The Policy covers the Eligible Expenses listed below. We apply these Eligible Expenses separately for each Covered Person.

An expense is "incurred" on the date a provider or facility performs the service or furnishes the supplies.

The following are Eligible Expenses under the Policy:

- 1. Charges for Inpatient Hospital services:
  - a. Daily room and board and nursing services not to exceed the average standard room rate. If a Hospital has only private rooms, Eligible Expenses will be limited to 90% of the private room charge;
  - b. Daily room and board and nursing services in an Intensive Care or Critical Care Unit;
  - c. Use of operating, treatment or recovery room; and
  - d. Miscellaneous tests, services and supplies.

As an alternative to hospitalization, a Covered Person may substitute Home Health Care, provided in lieu of hospitalization, furnished by Home Health, Hospice, or Home Health Care Agencies, at equal or lesser cost. Substitution of less expensive or less intensive services shall be made only with the consent of the Covered Person and upon the recommendation of the Covered Person's attending Doctor or licensed health care provider that such services will adequately meet the patient's needs. The decision to substitute less expensive or less intensive services shall be determined based on the medical needs of the individual insured patient.

- 2. Charges for Outpatient Hospital services.
- 3. Charges for care received in a Hospital emergency room or a free standing emergency room.
- 4. Charges for Surgery at an Outpatient Surgical Facility, including services and supplies.
- Charges for Inpatient Doctor visits.
- Charges made by a Doctor for surgery and other professional services.
- 7. Charges for a surgical assistance or a surgeon assistant are 20% of the Maximum Allowable Expense allowance for the primary surgical procedure performed during the operative session.
- 8. Charges for the administration of anesthetics are 20% of the Maximum Allowable Expense allowance for the primary surgical procedure performed during the operative session.
- 9. Charges for a Doctor's office visit, consultation, or urgent care center visit. Charges for other covered services or tests performed as a part of the office visit will be subject to the Plan Deductible and Coinsurance.
- 10. Wellness Benefit: Charges for one annual Routine Physical Exam performed by a Doctor as part of a regular check-up. This includes a health history, an exam of all systems including cardiovascular, respiratory, neurological, musculoskeletal, reproductive and behavioral studies appropriate for age, risk and sex. This does not include blood work, radiology, Advanced Diagnostic Studies (if applicable), and/or lab work.
- 11. Charges for routine child health care for periodic visits that include a history, a physical examination, a development assessment, anticipatory guidance and appropriate immunizations and laboratory tests consistent with the

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Recommendations of Preventative Pediatric Health Care of the American Academy of Pediatrics from the moment of birth to age 16. Immunizations are not subject to the Plan Deductible.

- 12. Charges for dressings, sutures, casts or other supplies which are administered by or under the supervision of a Doctor, but excluding nebulizers, oxygen tanks, supplies for use or application at home and all devices or supplies for repeat use at home.
- 13. Charges for diagnostic testing using radiology, ultrasonographic or laboratory services (psychometric, intelligence, behavioral and educational testing are not included).
- 14. Charges for artificial eyes or larynx, breast prosthesis or basic functional artificial limbs, but not their replacement or repair.
- 15. Charges for reconstructive surgery directly related to surgery which is covered under the Policy, including reconstructive breast surgery and prosthetic devices incident to a Mastectomy. Coverage will also include all stages of reconstruction of the breast on which the mastectomy has been performed, surgery and reconstruction on a non-diseased breast to establish symmetry with the diseased breast and prostheses and physical complications of mastectomy, including lymphedemas. As used in this benefit: "Mastectomy" means the surgical removal of all or part of a breast as a result of breast cancer. "Reconstructive breast surgery" means surgery performed as a result of a mastectomy to reestablish symmetry between the two breasts and includes augmentation mammoplasty, reductive mammoplasty and mastopexy.
- 16. Charges for radiation therapy or treatment and chemotherapy.
- 17. Charges for blood and blood products, administration of blood and blood processing.
- 18. Charges for an Extended Care Facility room and board accommodations; if:
  - a. The Covered Person is receiving skilled nursing care as an Inpatient in that facility on the certification of the attending Doctor that the confinement is Medically Necessary;
  - b. The confinement commences immediately following a period of at least three (3) continuous days of Hospital confinement; and
  - c. The confinement is for the same covered Injury or Sickness that was treated during the Covered Person's confinement in the Hospital.
- 19. Charges for treatment of a Covered Person by a Home Health Care Agency under a Home Health Care Plan. Eligible Expenses for Home Health Care are:
  - a. Part-time skilled nursing care;
  - b. Home Health aide services/supplies when under a R.N.'s direct supervision;
  - c. Physical, occupational and speech therapy;
  - d. Medical supplies; and
  - e. Respiratory therapy.

However, benefits will not be paid for charges made by a Home Health Care Agency for:

- a. Full-time nursing care at home;
- b. Meals delivered to the home;
- c. Homemaker services;
- d. Any services of an individual who ordinarily resides in the Covered Person's home or is a member of the Insured's immediate family; or
- e. Any transportation services.

Benefits for Home Health Care are in lieu of any similar benefits provided under any other provision of the Policy.

- 20. Charges for hospice care and services incurred for a terminally ill Covered Person with a life expectancy of 6 months or less. Eligible Expenses include charges incurred for care and services when provided by an agency licensed or certified to provide hospice services, including the following:
  - a. Inpatient and Outpatient care.
  - b. Part-time or intermittent home nursing care by, or under the direction of a nurse;

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- c. Physical, respiratory or speech therapy performed by a licensed therapist;
- d. Nutrition counseling provided by or under the direction of a registered dietitian; and
- Counseling by a licensed social worker, pastoral counselor for the Covered Person or a member of the Immediate Family, the primary care giver and individuals with significant personal ties to a Covered Person who is terminally ill.

Hospice services must be:

- a. Under active management through an agency licensed or certified to provide hospice services and which is responsible for coordinating all such services; and
- b. Provided only if the Doctor submits written certification to Us that the Covered Person is terminally ill with a life expectancy of 6 months or less. Review of Medically Necessity may be periodically required.

This benefit does not include the services of volunteers or persons who do not regularly charge for their services.

- 21. Charges for ambulance transport to the nearest Hospital qualified to treat Injuries or medical emergencies. In order for benefits to be payable, transportation due to Sickness must result in Inpatient Hospitalization.
- 22. Charges for the rental of a standard, basic Hospital bed and/or wheelchair, up to the purchase prices, not including expenses for customization and only for the portion of the cost equivalent to the Coverage Period.
- 23. Charges for Physical Therapy, Occupational Therapy and Speech Therapy from a licensed or registered provider to improve or restore lost function caused by a Sickness or Injury covered under this Policy when ordered by the attending Doctor.
- 24. Charges for organ or tissue transplants including all expenses related to the transplant before the transplant is performed, for the procurement of the donor organ or tissue, the Hospital expenses of the donor, and for follow-up care, including any complications while this coverage is in force.

Eligible Expenses do not include organ or tissue transplants which:

- a. Are animal-to-human transplants;
- b. Use artificial or mechanical organs;
- c. Are Experimental or Investigative; or
- d. Are not generally accepted by the medical community as an effective treatment for a covered Injury or Sickness.
- e. Relate to a condition that is excluded under PART VII EXCLUSIONS AND LIMITATIONS.
- 25. Charges for temporomandibular joint disorder (TMJ) procedures involving any bone or joint of the jaw, face, or head, so long as the procedure is Medically Necessary to treat a condition which prevents normal functioning of the particular bone or joint involved and the condition is caused by congenital deformity, disease, or traumatic Injury. Authorized therapeutic procedures include splinting and the use of intraoral prosthetics applied to reposition the bones. However, this does not include coverage for orthodontic braces, crowns, dentures, treatment for periodontal disease, dental root form implants or root canals.
- 26. Charges for treatment rendered in a Hospital or by a licensed treatment facility or other provider licensed to treat Mental Disorders as defined in this Policy will be covered the same as any other Sickness.
- 27. Charges for treatment rendered in a Hospital or by a licensed treatment facility or other provider licensed to treat Substance Abuse.
- 28. Charges for prostate cancer screening, provided the screening is delivered upon the recommendation of the Covered Person's Doctor, advanced registered nurse practitioner, or physician assistant. No benefit will be paid for services under this benefit if a benefit for this service has already been paid for under the Wellness Benefit.
- 29. Charges for screening or diagnostic mammography services, provided that such services are delivered upon the recommendation of the Covered Person's Doctor or advanced registered nurse practitioner as authorized by the nursing care quality assurance commission or physician assistant. No benefit will be paid for services under this benefit if a benefit for this service has already been paid for under the Wellness Benefit.

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- 30. Charges for the Medically Necessary services and supplies for outpatient self-management training and education, including medical nutrition therapy, as ordered by the Doctor. Diabetes outpatient self-management training and education may be provided only by health care providers with expertise in diabetes.
- 31. Charges for medical foods for inborn metabolic disorder, including Phenylketonuria (PKU).

#### **Pre-Certification Requirements**

All Inpatient Hospitalizations and procedures done at an Outpatient Surgery Facility must be pre-certified.

- A. To comply with the pre-certification requirements, the Covered Person must:
  - 1. Contact the professional review organization at the following telephone number 1-866-317-5273 as soon as possible <u>before</u> the expense is to be incurred; and
  - 2. Comply with the instructions of the professional review organization and submit any information or documents they require; and
  - 3. Notify all Doctors, Hospitals and other providers that this insurance contains pre-certification requirements and ask them to fully cooperate with the professional review organization.
- B. If the Covered Person complies with the pre-certification requirements, and the expenses are pre-certified, the Company will pay Eligible Expenses subject to all terms, conditions, provisions and exclusions described in this Policy.
- C. If the Covered Person does not comply with the pre-certification requirements, or if the expenses are not pre-certified, Eliqible Expenses will be reduced by 50%.
- D. Emergency pre-certification: In the event of an emergency Hospital admission, pre-certification must be made within 48 hours after the admission, or as soon as is reasonably possible.
- E. Pre-certification Does Not Guarantee Benefits The fact that expenses are pre-certified does not guarantee either payment of benefits or the amount of benefits. Eligibility for and payment of benefits are subject to all the terms, conditions, provisions and exclusions of this Policy.
- F. Concurrent Review For Inpatient stays of any kind, the professional review organization will pre-certify a limited number of days of confinement. Additional days of Inpatient confinement may later be pre-certified if a Covered Person receives prior approval.

#### PART VII - EXCLUSIONS AND LIMITATIONS

Loss caused by, contributed to or resulting from the following is excluded or otherwise limited as specified:

- 1. Pre-Existing Conditions:
  - a. Charges resulting directly or indirectly from a condition for which a Covered Person received medical treatment, diagnosis, care or advice, including diagnostic tests or medications, within the 60 month period immediately preceding such person's Policy Effective Date.
  - b. Pre-Existing Conditions includes conditions that produced any symptoms which would have caused a reasonable prudent person to seek diagnosis, care or treatment within the 60 month period immediately prior to the Covered Person's Policy Effective Date of coverage under the Policy.

This exclusion does not apply to a newborn child or newborn adopted child who is added to coverage in accordance with **PART II – ELIGIBILITY AND EFFECTIVE DATE OF INSURANCE**.

- 2. Waiting Period:
  - a. Covered Persons will only be entitled to receive benefits for Sicknesses that begin, by occurrence of symptoms and/or receipt of treatment, more than 5 days following the Covered Person's Policy Effective Date of coverage under the Policy.
  - b. Covered Persons will only be entitled to receive benefits for Cancer that begins, by occurrence of symptoms or receipt of treatment more than 30 days following the Covered Person's Policy Effective Date of coverage under the Policy.
- 3. Charges during the first 3 months after the Policy Effective Date of coverage for a Covered Person for the following:
  - a. Total or partial hysterectomy, unless it is Medically Necessary due to a diagnosis of carcinoma;
  - b. Tonsillectomy;
  - c. Adenoidectomy;

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- d. Repair of deviated nasal septum or any type of surgery involving the sinus;
- e. Myringotomy;
- f. Tympanotomy:
- g. Herniorraphy; or
- h. Cholecystectomy.

However, if such condition is a Pre-Existing Condition, any benefit consideration will be in accordance with the Pre-Existing Conditions limitation.

- 4. Charges which are not incurred by a Covered Person during his/her Coverage Period.
- 5. Charges which exceed any limits or limitations specified in this Policy, including the Schedule of Benefits.
- 6. Charges for services of supplies in excess of the Maximum Allowable Expense.
- 7. Charges for services or supplies which are not administered by or under the supervision of a Doctor.
- 8. Mental, emotional or nervous disorders or counseling of any type, except as specifically covered as an Eligible Expense.
- Marital counseling or social counseling.
- 10. Treatment for Substance Abuse, except as specifically covered under the Policy as an Eligible Expense.
- 11. Prescription Drugs, except those administered by a Doctor in an Inpatient or Outpatient setting covered under this Policy as an Eligible Expense.
- 12. Medications, vitamins, and mineral or food supplements including pre-natal vitamins, or any over-the-counter medicines, whether or not ordered by a Doctor.
- 13. Any drug, treatment or procedure that either promotes or prevents conception including but not limited to: artificial insemination, treatment for infertility or impotency, sterilization or reversal of sterilization.
- 14. Any drug, treatment or procedure that corrects impotency or non-organic sexual dysfunction.
- 15. Modifications of the physical body in order to improve the psychological, mental or emotional well-being of the Covered Person, this does not include Medically Necessary services for gender identity disorder or gender dysphoria that would normally be covered under the Policy.
- 16. Cosmetic Treatment, except for reconstructive surgery where expressly covered under the Policy.
- 17. Weight modification or surgical treatment of obesity.
- 18. Eye surgery, including LASIK, when the primary purpose is to correct nearsightedness, farsightedness or astigmatism.
- 19. Dental Expenses, except as necessary to restore or replace sound and natural teeth lost or damaged as a result of an Injury. The Injury must be severe enough that the contact with the Doctor occurs within seventy-two (72) hours of the Accident, unless extenuating circumstances exist due to the severity of the Injury that prevent you from contacting the Doctor.
- 20. Expenses incurred in the treatment by any method for jaw joint problems including temporomandibular joint dysfunction (TMJ), TMJ pain syndromes, craniomandibular disorders, myofacial pain dysfunction or other conditions of the joint linking the jaw bone and skull and the complex of muscles, nerves and other tissues related to the joint, except as specifically covered under the Policy as an Eligible Expense.
- 21. Routine pre-natal care, Pregnancy, child birth, and post natal care. (This exclusion does not apply to "Complications of Pregnancy" as defined.)
- 22. Charges for a Covered Dependent who is a newborn child not yet discharged from the Hospital, unless the charges are Medically Necessary to treat premature birth, congenital Injury or Sickness, or Sickness or Injury sustained during or after birth.

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- 23. Sclerotherapy for veins of the extremities.
- 24. Abortions, except in connection with covered Complications of Pregnancy or if the life of the expectant mother would be at risk.
- 25. Joint replacement or other treatment of joints, spine, bones or connective tissue including tendons, ligaments and cartilage, unless related to a covered Injury.
- 26. Surgeries, treatments, services or supplies which are deemed to be Experimental Treatment.
- 27. Chronic fatigue or pain disorders.
- 28. Kidney or end stage renal disease.
- 29. Treatment or diagnosis of allergies, except for emergency treatment of allergic reactions.
- 30. Treatment for cataracts.
- 31. Treatment of sleep disorders.
- 32. Treatment required as a result of complications or consequences of a treatment or condition not covered under this Policy.
- 33. Treatment incurred as a result of exposure to non-medical nuclear radiation and/or radioactive material(s).
- 34. Treatment for acne, moles, skin tags, diseases of sebaceous glands, seborrhea, sebaceous cyst, unspecified disease of sebaceous glands, hypertrophic and atrophic conditions of skin, nevus.
- 35. Treatment for or related to any Congenital Condition, except as it relates to a newborn child or newborn adopted child added as a Covered Person pursuant to the terms of this Policy.
- 36. Treatment, medication or hormones to stimulate growth, or treatment of learning disorders, disabilities, developmental delays or deficiencies, including therapy.
- 37. Spinal manipulation or adjustment.
- 38. Biofeedback, acupuncture, recreational, sleep or MIST Therapy®, holistic care of any nature, massage and kinestherapy, excepted as provided for under Home Health Care.
- 39. Hypnotherapy when used to treat conditions that are not recognized as Mental Disorders by the American Psychiatric Association, and non-medical self-care or self-help programs.
- 40. Eyeglasses, contact lenses, hearing aids, hearing implants, eye refraction, visual therapy, orthoptics, visual eye training and any examination or fitting related to these devices, and all vision and hearing tests and examinations.
- 41. Care, treatment or supplies for the feet, orthopedic shoes, orthopedic prescription devices to be attached to or placed in shoes, treatment of weak, strained, flat, unstable or unbalanced feet, metatarsalgia or bunions and treatment of corns, calluses or toenails.
- 42. Care and treatment for hair loss including wigs, hair transplants or any drug that promises hair growth, whether or not prescribed by a Doctor.
- 43. Exercise programs, whether or not prescribed or recommended by a Doctor.
- 44. Telephone or Internet consultations and/or treatment or failure to keep a scheduled appointment.
- 45. Charges for travel or accommodations, except as expressly provided for local ambulance.
- 46. All charges incurred while confined primarily to receive Custodial or Convalescent Care.

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- 47. Services received or supplies purchased outside the United States, its territories or possessions, or Canada.
- 48. Any services or supplies in connection with cigarette smoking cessation.
- 49. Any services performed or supplies provided by a member of a Covered Person's Immediate Family.
- 50. Services received for any condition caused by a Covered Person's commission of or attempt to commit an assault, battery, or felony, whether charged or not, or to which a contributing cause was the Covered Person being engaged in an illegal occupation.
- 51. Services or supplies which are not included as Eligible Expenses as described herein.
- 52. Participating in hazardous occupations or other activity including participating, instructing, demonstrating, guiding or accompanying others in the following: operation of a flight in an aircraft other than a regularly scheduled flight by a commercial airline, professional or semi-professional sports, extreme sports, parachute jumping, hot-air ballooning, hang-gliding, base jumping, mountain climbing, bungee jumping, scuba diving, sail gliding, parasailing, parakiting, rock or mountain climbing, cave exploration, parkour, racing including stunt show or speed test of any motorized or non-motorized vehicle, rodeo activities, or similar hazardous activities. Also excluded is Injury received while practicing, exercising, undergoing conditional or physical preparation for such activity.
- 53. Injuries or Sicknesses resulting from participation in interscholastic, intercollegiate or organized competitive sports. This does not include dependent children participating in local community sports activities.
- 54. Intentionally self-inflicted Injury or Sickness (whether the Covered Person is sane or insane).
- 55. Charges resulting from a declared or undeclared war, or from voluntary participation in a riot or insurrection.
- 56. Charges incurred by a Covered Person while on active duty in the armed forces. Upon written notice to Us of entry into such active duty, the unused premium will be returned to the Covered Person on a pro-rated basis.
- 57. Costs for Routine Physical Exams or other services not needed for medical treatment, except as specifically covered under the Policy as an Eligible Expense.
- 58. Charges You or Your Covered Dependent are not required to pay, or which would not have been billed, if no insurance existed.
- 59. Charges that are eligible for payment by Medicare or any other government program except Medicaid. Costs for care in government institutions unless You or Your Covered Dependent are obligated to pay for such care.
- 60. Charges related to Injury or Sickness arising out of or in the course of any occupation for compensation, wage or profit, if the Covered Person is insured, or is required to be insured, by occupational disease or workers' compensation insurance pursuant to applicable state or federal law, whether or not application for such benefits have been made.
- 61. Medical expenses which are payable under any automobile insurance policy without regard to fault (does not apply in any state where prohibited).

# PART VIII - COORDINATION OF BENEFITS (COB)

Some people have health care coverage through more than one medical insurance plan at the same time. COB allows these plans to work together so the total amount of all benefits will never be more than 100 percent of the allowable expenses during any coverage year. This helps to hold down the costs of health coverage.

COB does not apply to life insurance or accidental death and dismemberment benefits. COB also does not apply to major medical insurance as coverage hereunder ceased for a Covered Person as of the date major medical insurance became effective.

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The term "plan" applies separately to each policy, contract agreement or other arrangements for benefits or services. The term "plan" also applies separately to that part of any policy, contract, agreement or other arrangements for benefits or services that coordinates its benefits with other plans and to that part that does not.

When a plan provides benefits in the form of services rather than cash payment the reasonable cash value of each service rendered will be considered to be both: (1) an allowable expense; and (2) a benefit paid.

#### Definitions.

"Allowable expense," means any health care expense, including coinsurance or copayments and without reduction for any applicable deductible, that is covered in full or in part by any of the plans covering the person. When coordinating benefits, any secondary plans must pay an amount which, together with the payment made by the primary plan, cannot be less than the same allowable expense as the secondary plan would have paid if it was the primary plan. In no event will a secondary plan be required to pay an amount in excess of its maximum benefit plus accrued savings. When medicare, Part A, Part B, Part C, or Part D is primary, medicare's allowable amount is the allowable expense.

"Plan" – means any of the following which provides benefits or services for medical expenses:

- 1. Group, Individual or family insurance or subscriber contracts.
- Any group or individual contracts issued by health care service contractors or health maintenance organizations (HMO), closed panel plans or other forms of group coverage; medical care components of long-term care contracts, such as skilled nursing care.
- 3. Any federal, state or local governmental programs, or coverage required or provided by law. This does not include a state plan under Medicaid (Title XIX, Grants to States for Medical Assistance Programs, of the United States Social Security Act, as amended from time to time.)

Each contract or other arrangement for coverage under the above paragraphs is a separate plan. Also, if an arrangement has two parts and COB rules apply to one of the two, each of the parts is construed to mean a separate Plan.

The term "plan" does not include:

- 1. Hospital indemnity or fixed payment coverage benefits or other fixed indemnity or payment coverage;
- 2. Accident only coverage;
- 3. School Accident-type coverages. (These contracts cover students for accidents only, including athletic injuries, either on a twenty-four hour basis or on a to-and-from school basis);
- 4. Policies with coverage limited to specified illnesses or accidents and limited benefit health coverage;
- 5. Benefits provided in long-term care insurance policies for nonmedical services, for example, personal care, adult day care, homemaker services, assistance with activities of daily living, respite care and custodial care or for contracts that pay a fixed daily benefit without regard to expenses incurred or the receipt of services;
- 6. Medicare Supplement policies;
- 7. A state plan under Medicaid;
- 8. A governmental plan, which, by law, provides benefits that are in excess of those of any private insurance plan or other nongovernmental plan;
- 9. Automobile insurance policies required by statute to provide medical benefits;
- 10. Benefits provided as part of a direct agreement with a direct patient-provider primary care practice.

"Primary Plan (Primary)" – means the Plan which determines its benefits before those of the other Plan. When there are more than two (2) Plans, This Plan may be Primary as to one and Secondary as to another.

"Secondary Plan (Secondary)" – means the Plan which determines its benefits after those of the other Plan. When there are more than 2 Plans, This Plan may be Secondary as to one and Primary as to another.

**Order of Benefit Determination of Rules.** Plans use COB to decide which plan should pay first for a covered expense. If the Primary Plan's payment is less than the charge for the allowable expense, then the Secondary Plan will apply its benefit payment to the balance.

The following rules will be used to establish the order of benefit determination:

1. A plan which does not have a COB provision will always be the Primary Plan.

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- 2. The benefits of a plan which covers the person on whose expenses the claim is based as other than a dependent will be determined before the benefits of a plan which covers the person as a dependent. However, if the person is also a Medicare beneficiary, and if the rule established under the Social Security Act of 1965, as amended, makes Medicare secondary to the plan covering the person as a dependent of an active employee, the order of benefit determination is:
  - a. First, benefits of a plan covering persons as an employee, member, or subscriber.
  - b. Second, benefits of a plan of an active worker covering persons as a dependent.
  - c. Third, Medicare benefits.
- 3. The benefits of a plan that covers a person for whom a claim is made as a dependent child will be determined under the following rules:
  - a. When the parents are married: the benefits of a plan which covers the child as a dependent of the parent whose birthday anniversary occurs earlier in the calendar year will be determined before the benefits of a plan which covers the child as a dependent of the parent whose birthday anniversary occurs later in the calendar year.
  - b. If both parents have the same birthday the benefits of the plan that covered the parent longer are determined before those of the plan that covered the other parent for a shorter period of time.
  - c. If the plans do not agree on the order of benefit rules because the other plan does not have the rule described in this section, but has a rule based upon the gender of the parent, the rule in the other plan will determine the order of benefits.
  - d. When the parents are separated or divorced and the parent with custody has not remarried the benefits of a plan which covers the child as a dependent of the parent with custody of the child will be determined before the benefits of a plan which covers the child as a dependent of the parent without custody.
  - e. When a dependent child whose parents are married or are living together, whether or not they have ever been married: (i) The plan of the parent whose birthday falls earlier in the calendar year is the primary plan; or (ii) If both parents have the same birthday, the plan that has covered the parent longest is the primary plan
  - f. When the parents are divorced and the parent who has custody of the child has remarried: (a) the benefits of a plan which covers the child as a dependent of the parent with custody will be determined before the benefits of a plan which covers the child as a dependent of the step-parent; and (b) the benefits of a plan that covers the child as a dependent of the step-parent will be determined before the benefits of a plan that covers the child as a dependent of the parent without custody.
  - g. Despite (2) and (3) above, if there is a court decree which would otherwise establish financial responsibility for the medical, dental or other health care expenses with respect to the child, the benefit payment of a plan which covers the child as a dependent of the parent with such financial responsibility will be determined before the benefit payment of any other plan that covers the child as a dependent child.
  - h. If a court decree states that both parents are responsible for the dependent child's health care expenses or health care coverage, the provisions of (e)(i) of this subsection determine the order of benefits;
  - i. If a court decree states that the parents have joint custody without specifying that one parent has financial responsibility or responsibility for the health care expenses or health care coverage of the dependent child, the provisions of (e)(i) of this subsection determine the order of benefits; or
  - j. If there is no court decree allocating responsibility for the child's health care expenses or health care coverage, the order of benefits for the child is as follows: (i) The plan covering the custodial parent, first; (ii) The plan covering the custodial parent, third; and then
  - k. (iv) The plan covering the noncustodial parent's spouse, last.
  - I. For a dependent child covered under more than one plan of individuals who are not the parents of the child, the order of benefits is determined, as applicable, under (e)(i) or (ii) of this subsection as if those individuals were parents of the child.
- 4. Active Employee or Retired or Laid-off Employee. The Plan that covers a person as an active employee, that is, an employee who is neither laid off nor retired, is the Primary plan. The Plan covering that same person as a retired or laid-off employee is the Secondary plan. The same would hold true if a person is a dependent of an active employee and that same person is a dependent of a retired or laid-off employee. If the other Plan does not have this rule, and as a result, the Plans do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule under section D(1) can determine the order of benefits.
- 5. COBRA or State Continuation Coverage. If a person whose coverage is provided under COBRA or under a right of continuation provided by state or other federal law is covered under another Plan, the Plan covering the person as an employee, member, subscriber or retiree or covering the person as a dependent of an employee, member, subscriber or retiree is the Primary plan and the COBRA or state or other federal continuation coverage is the Secondary plan. If

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the other Plan does not have this rule, and as a result, the Plans do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule under section D(1) can determine the order of benefits.

- 6. Longer or Shorter Length of Coverage. The Plan that covered the person as an employee, member, policyholder, subscriber or retiree longer is the Primary plan and the Plan that covered the person the shorter period of time is the Secondary plan.
- 7. If the preceding rules do not determine the order of benefits, the Allowable expenses must be shared equally between the Plans meeting the definition of Plan. In addition, This plan will not pay more than it would have paid had it been the Primary plan

Effect of the Benefits of this Plan. When This plan is secondary, it may reduce its benefits so that the total benefits paid or provided by all Plans during a claim determination period are not more than the total Allowable expenses. In determining the amount to be paid for any claim, the Secondary plan must make payment in an amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim equal one hundred percent of the total Allowable expense for that claim Total Allowable expense is the highest Allowable expense of the Primary plan or the Secondary plan. In addition, the Secondary plan must credit to its plan deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

**Facility of Payment.** If another plan makes a benefit payment that should have been made by us, We have the right to pay the other plan any amount We deem necessary to satisfy Our obligation under these COB rules.

**Right of Recovery.** If the amount of Our benefit payment is more than the amount needed to satisfy Our obligation under these COB rules, We have the right to recover the excess amount from: (A) any persons to or for whom, or with respect to whom, the payments were made; (B) any insurance companies; or (C) any other organizations.

Right to Receive and Release Necessary Information. Certain facts about health care coverage and services are needed to apply these COB rules and to determine benefits payable under This plan and other Plans. Organization responsibility for COB administration may get the facts it needs from or give them to other organizations or persons for the purpose of applying these rules and determining benefits payable under This plan and other Plans covering the person claiming benefits. Organization responsibility for COB administration need not tell, or get the consent of, any person to do this. Each person claiming benefits under This plan must give Organization responsibility for COB administration any facts it needs to apply those rules and determine benefits payable.

#### **PART IX - CLAIM PROVISIONS**

**Notice of Claim:** Written notice of claim must be given within 31 days after a covered loss begins (or longer, if required by state law) or as soon as is reasonably possible. Failure to give notice within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible. The notice must be given to the Administrator named on the Schedule of Benefits. Notice should include information that identifies the claimant and the Policy.

**Claim Forms:** When the Administrator or We receive notice of claim, forms for filing proof of loss will be sent to the claimant. If claim forms are not supplied within 15 days a claimant can give proof as follows:

- 1. In writing:
- 2. Setting forth the nature and extent of the loss; and
- 3. Within the time stated in the Proof of Loss provision.

If such forms are not furnished before the expiration of 15 days after the insurer receives notice of any claim under the Policy, the person making such claim shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

**Proof of Loss:** Written proof of loss must be given to the Administrator named on the Schedule of Benefits within 90 days after the loss begins. We will not deny nor reduce any claim if it was not reasonably possible to give proof of loss in the time required. In any event, proof must be given to the Administrator within one year, or as otherwise specified by state law, after it is due unless the Insured is legally incapable of doing so.

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Time of Payment of Claim: Benefits for loss covered by the Policy will be paid as soon as We receive proper written proof of such loss.

**Payment of Claims:** All benefits will be paid to the Insured, if living, unless an Assignment of Benefits has been requested by the Insured. Any other benefits due and unpaid at the Insured's death will be paid to the Insured's estate. If a benefit is to be paid to the Insured's estate, or to an Insured or beneficiary who is not competent to give a valid release, the Company may pay up to \$1,000 of such benefit to one of the Insured's relatives who is deemed by the Company to be justly entitled to it. Such payment, made in good faith, fully discharges the Company to the extent of the payment.

**Physical Examination:** At Our expense, We may have a person claiming benefits examined as often as reasonably necessary while the claim is pending and also the right and opportunity to make an autopsy in the case of death where it is not prohibited by law.

**Third Party Liability:** No benefits are payable to or for a Covered Person for any Sickness, Injury, or other condition for which a third party may be liable or legally responsible by reason of negligence, an intentional act or omission, or breach of any legal obligation on the part of such third party. Our right of subrogation is secondary to the right of the Covered Person to be fully compensated for his damages. Nevertheless, the Company may elect to advance the benefits of this Policy to or for a Covered Person. If the Company determines it will advance the benefits of this Policy, such advance(s) will be subject to the following:

- 1. The Covered Person agrees to advise Us, in writing, within 60 days of any Covered Person's claim against the third party and to take such action, provide such information and assistance, and execute such paper as We may require to facilitate enforcement of the claim. The Covered Person and Insured, if other than the Covered Person, also agree to take no action that may prejudice Our rights or interests under this Policy. Failure to provide notice of a claim or to cooperate with Us, or actions that prejudice Our rights or interests, will be material breach of this Policy and will result in the Covered Person and/or the Insured, if other than the Covered Person, being personally responsible for reimbursing Us.
- 2. We will automatically have a lien, to the extent of benefits advanced, upon any recovery that any Covered Person receives from the third party, the third party's insurer, or the third party's guarantor. Recovery may be by settlement, judgment or otherwise. The lien will be in the amount of benefits paid by Us under this Policy for the treatment of the Sickness or Injury for which the third party is liable.
- 3. Legal expenses will be apportioned equitably, whether or not recovery is made.

### PART X - GENERAL PROVISIONS

**Entire Contract:** The entire contract consists of the Policy, the Application Form, Riders and any other documents requested and accepted by Us. No broker, agent or producer can change or waive any provision of this Policy.

Time Limit on Certain Defenses: All statements made by You or Your Dependents shall be deemed representations and not warranties, and no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or, in the event of the death or incapacity of the Covered Person, to the individual's beneficiary or personal representative. Any misstatement or omission of information made on Your Application Form or on any other materials on which We relied to issue, change or increase coverage will be considered a misrepresentation and may be the basis for later rescission of coverage. The validity of coverage issued under the Policy with respect to an Insured or his Dependents may not be contested after two years from the Policy Effective Date, except for nonpayment of premiums.

Conditions Precedent to Legal Action: Litigation is an expensive and time-consuming way to resolve disagreements we may have related to the coverage, benefits and premiums under this Policy and should be the last resort in dispute resolution. In order to provide an opportunity to resolve such dispute without the need for litigation, You must give Us at least thirty (30) days written notice of Your intent to sue Us as a condition precedent to bringing any action at law or in equity. Such notice must, at a minimum, (1) identify the coverage, benefits or premiums or other aspects of the Policy over which We have a disagreement; (2) identify the specific Policy provision(s) at issue; and (3) include all relevant facts and information that support Your position.

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Unless prohibited by law, You agree to waive an action for statutory or common law extra-contractual or punitive damages that You may have if the disputed claims are paid, or the issues giving rise to the disagreement are resolved or corrected within thirty (30) days after We received Your written notice of intention to sue.

**Legal Action:** No action at law or in equity may be brought to recover on the Policy before 60 days after written proof of loss has been furnished as required by the Policy. No such action may be brought after three years (or the required statute of limitation by state law, if longer) from the time written proof of loss is required to be furnished.

**Misstatement of Age:** If the age of any Covered Person is incorrectly stated, We will make a fair adjustment of the premiums, benefits or both. The adjustment will be based on the premiums and benefits that would have been payable had We known the correct information.

**Not in Lieu of Workers' Compensation:** The Policy is not in lieu of and does not affect requirements for coverage under workers' compensation laws.

**Pronouns:** Whenever a personal pronoun in the masculine gender is used, it will be deemed to include the feminine also, unless the context clearly indicates to the contrary.

**Conformity With Statutes:** Any provision of this Policy which, on the Policy Effective Date, is in conflict with the statutes of the jurisdiction in which the Insured is located is hereby amended to conform to the minimum requirements of such statutes.

Clerical Error: Clerical errors that We or Our authorized Administrator make in Your Schedule of Benefits, the issuance of a Policy, or in record keeping will not afford You benefits or validate insurance for which You have not applied and paid the appropriate premium and been approved by Us. We have the right to offset or recover from You any overpayment of benefits made due to such errors.

**Non-Waiver:** If We or You fail to enforce or to insist on strict compliance with any of the terms, conditions, limitations or exclusions of this Policy, that will not be considered a waiver of any rights under the Policy. A past failure to strictly enforce the Policy will not be a waiver of any rights in the future, even in the same situation or set of facts.

**Rescission:** A misrepresentation or omission in the Application Form or other documents provided to Us may be the basis for later rescission of all coverage of all Covered Persons. Rescission voids all coverage as of the Policy Effective Date and means that no benefits will be paid to any person for any claim submitted. We will refund to You premiums paid after deduction for any claims We paid.

**Medical Records**: The Company shall have access to medical and treatment records of the Covered Persons to determine benefits, process claims, utilization review, quality assurance, or for any other purpose reasonably related to the Policy benefits. Each Covered Person shall complete and submit to the Company such additional consents, releases and other documents as may be requested by the Company in order to determine or provide benefits under the Policy. The Company reserves the right to reject or suspend a claim based on lack of supporting medical information or records.

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#### PART XI - SCHEDULE OF BENEFITS

INSURED:	)

**MONTHLY PREMIUM:** \$339.70

POLICY NUMBER: EVS0570290

POLICY EFFECTIVE DATE: July 22, 2017

POLICY TERMINATION DATE: October 21, 2017

**COVERAGE PERIOD: 3 Months** 

**ADDITIONAL DEDUCTIBLES:** ✓ Yes □ No **OFFICE VISIT BENEFIT LIMIT:** ☑ None □ 3

OFFICE VISIT BENEFIT MAXIMUM OF \$2,000: ☐ Yes ☑ No

**COVERED PERSONS RELATIONSHIP** AGE **DATE OF BIRTH** 



COVERAGE AND BENEFIT AMOUNTS: Deductibles, Copayments, Coinsurance, Out of Pocket Maximum and the Coverage Period Maximum Benefit apply to each Covered Person and for ALL Eligible Expenses, unless otherwise stated.

Plan Deductible\*\*

per Covered Person per Coverage Period. Maximum of -3 Deductibles per family per Coverage Period.

#### Additional Deductibles\*\* (if applicable)

Outpatient Surgery Deductible

\$500 per Surgery for Surgery performed in an Outpatient Surgical Facility after which Plan Deductible and Coinsurance will apply. Maximum of 3 Outpatient Surgery Deductibles per Covered Person. Surgeries in excess of the maximum number of Outpatient Surgery Deductibles will remain subject to the Plan Deductible and

Coinsurance.

**Emergency Room Deductible** 

\$500 per visit for use of emergency room in the event of Sickness or Injury after which the Plan Deductible and Coinsurance will apply. The Emergency Room Deductible is waived if the Covered Person is directly admitted as an Inpatient for further treatment after which the Plan

Deductible and Coinsurance will apply

Advanced Diagnostic Studies Deductible

\$500 per occurrence for Advanced Diagnostic Studies in an Outpatient setting after which the Plan Deductible and Coinsurance will apply.

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#### Copayments\*\*

Copayments do not apply towards the Plan Deductible or Out of Pocket Maximum

Wellness Benefit Copayment

\$50 Copayment for one annual Routine Physical Exam. Coinsurance is 100% and benefits are not subject to the Plan Deductible.

Doctor's Office or Urgent Care Center Visits Copayment

\$40 Copayment per visit or consultation per Covered Person and if applicable, not to exceed a maximum of 3 Doctor's Office or Urgent Care Center Visits Copayments per Covered Person. Coinsurance is 100% of Eligible Expenses and benefits are not subject to the Plan Deductible. If applicable, doctor's office or urgent care visits or doctor consultations in excess of the maximum number of Doctor's Office or Urgent Care Center Visits Copayments will be subject to the Plan Deductible and Coinsurance.

#### **Coinsurance Amount**

80/20 of Eligible Expenses after the Plan Deductible and any applicable Additional Deductibles, up to the Out of Pocket Maximum, then 100% of Eligible Expenses up to the overall Coverage Period Maximum Benefit.

#### **Out of Pocket Maximum**

\*\*The Deductibles, Copayments, precertification penalties and amounts in excess of the Maximum Allowable Expense do not apply towards the Out-of-Pocket Maximum. \$5,000 per Covered Person per Coverage Period

**Coverage Period Maximum Benefit** 

\$750,000 per Covered Person

#### Penalty for failure to pre-certify

Eligible Expenses will be reduced by 50%; any Deductible(s) will be subtracted from the remaining amount; and the Coinsurance will be applied.

#### **Covered Services**

Inpatient Hospital services:

**Average Standard Room Rate** 

**Intensive Care or Critical Care Unit** 

Outpatient Miscellaneous Hospital Expenses

**Doctor's Office Visit or Urgent Care Center** 

#### **Benefit Limits**

Average Standard room rate.

The benefit payable for each day of confinement in an Intensive Care or Critical Care Unit.

The benefit payable for miscellaneous Outpatient Hospital expenses, excluding Outpatient Surgery.

After the Copayment shown above, Coinsurance is 100% of Eligible Expenses and benefits are not subject to the Plan Deductible.

Any other covered services or tests performed as part of the office visit will be subject to the Plan Deductible and Coinsurance.

If applicable, Office or urgent care center visits or consultations in excess of the maximum number of

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Doctor's Office Visit or Urgent Care Center Copayments will be subject to the Plan Deductible and Coinsurance.

If applicable the office visit maximum for <u>all</u> Doctor's office or urgent care center visits or consultations, including any other covered services or tests performed as part of the office visit, will not exceed \$2,000 per Covered Person per Coverage Period.

**Wellness Benefit** 

After the Copayment shown above, Coinsurance is 100% of Eligible Expenses and benefits are not subject to the Plan Deductible.

**Extended Care Facility** 

\$150 per day not to exceed a maximum of 30 days per Covered Person per Coverage Period.

**Home Health Care** 

\$50 per visit. There is a limit of 1 visit per day not to exceed a maximum 30 Home Health Care visits per Covered Person per Coverage Period.

**Hospice Care** 

\$2,500 per Covered Person per Coverage Period.

**Ambulance** 

Injury: Sickness: \$250 per transport. \$250 per transport.

Physical, Occupational and Speech Therapy

\$50 per day and 20 visits combined per Covered Person per Coverage Period.

Organ or tissue transplants

\$50,000 per Covered Person per Coverage Period.

Temporomandibular Joint Disorder (TMJ):

\$3,500 per Covered Person per Coverage Period \$1,500 per Covered Person per Coverage Period

Kidney Stones

Appendectomy

\$2,500 per Covered Person per Coverage Period

Joint or Tendon Surgery

\$2,500 per Covered Person per Coverage Period

**Knee Injury or Disorders** 

\$2,500 per Covered Person per Coverage Period for both left knee and right knee

Acquired Immune Deficiency Syndrome (AIDS) Human Immunodeficiency Virus (HIV)

\$10,000 per Covered Person per Coverage Period

Gallbladder Surgery

\$2,500 per Covered Person per Coverage Period

Mental Disorders

Same as any other Sickness

**Substance Abuse** 

Inpatient:

\$100 per day, 31 day maximum per Covered Person per Coverage Period.

Outpatient:

\$50 per visit, 10 visit maximum per Covered Person per Coverage Period

**Pre-Existing Conditions Allowance** 

Notwithstanding the Pre-Existing Conditions exclusion under Part VII of the Certificate, Eligible Expenses not to exceed 50% of the Plan Deductible per Coverage Period will be allowed. Payment of any benefits, including application to the Deductible and Coinsurance, under this allowance does not waive, or in any manner whatsoever affect, any of the Covered Person's exclusions or limitations, including the Pre-Existing Conditions exclusion.

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# COMPANY'S ADMINISTRATOR/AUTHORIZED REPRESENTATIVE(S):

Send Notice of Claim, Claim Forms, Proof of Loss and any other documents relating to claims to:

Name:

Allied National, Inc C/O Global Care

Address: PO BOX 247

City, State and ZIP: Alpharetta, GA 30009-0247

Phone Number: 844-215-3756

Send all other (non-Claim) notices or documentation to:

Name: Health Insurance Innovations
Address: 218 E Bearrs Avenue Ste 325

City, State and ZIP: Tampa, FL 33613 Phone Number: 877-376-5831



HCC Life Insurance Company 225 TownPark Drive, Suite 350 Kennesaw, GA 30144 USA Tel: 800-447-0460

March 18, 2019

Ms. Jessica Bullington Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner P.O. Box 40255 Olympira, WA 98504-0255

RE: Carrier: HCC Life Insurance Company

NAIC#: 92711 Case #: 1593742

Dear Ms. Bullington:

This is in response to your inquiry regarding Health Plan Intermediaries Holdings doing business as HII.

Please find enclosed a spreadsheet indicating the premium information on the insureds listed in your request. All premium listed was received from HII net of commission.

Please advise if you have any additional questions or concerns and I will be happy to assist you.

Respectfully,

Most thatas

Matt Michaels
Associate Compliance Specialist
770.693.6497 – direct
mmichaels@tmhcc.com

A member of the Tokio Marine HCC group of companies.

	Gross	Gross	900 80		
	Monthly	Premium	Net Premium	Net Premium	
Policy number	Premium	total	Received Monthly	Received Total	Notes
WAH1T29670	\$263.67	\$2,900.37	\$166.88	\$1,835.72	
WAH1T19120	\$190.00	\$1,967.90	\$123.05	\$1,270.90	
WAH1T24060	\$105.61	\$606.69	\$73.21	\$450.97	
WAH1S48090	\$43.33	\$198.42	\$35.88	\$178.07	
WAH2S06890	\$261.49	\$855.78	\$165.59	\$569.19	
WAH1S66380	\$129.71	\$648.54	\$87.39	\$445.89	The second secon
WAH1S65540	\$135.29	\$608.82	\$90.83	\$422.24	
WAH2S03480	\$137.48	\$608.82	\$91.80	\$422.25	
WAH1T25080	\$98.75	\$92.58	\$68.82	\$65.08	
WAH1T28460	\$0.00	\$0.00	\$0.00	\$0.00	Canceled/Refunde
WAH1S65110	\$151.49	\$634.14	\$100.58	\$437.32	
WAH1S66640	\$110.47	\$602.58	\$75.83	\$418.54	
WAH2S05570	\$106.91	\$602.58	\$73.61	\$418.53	
WAH1T20270	\$512.08	\$3,358.08	\$316.71	\$2,108.05	
WAH1S56280	\$152.05	\$463.62	\$101.20	\$335.85	
WAH1S46810	\$216.86	\$857.58	\$139.75	\$570.27	
WAH1S46300	\$52.02	\$312.12	\$40.95	\$245.71	
WAH1T34610	\$449.94	\$4,242.26	\$277.71	\$2,634.14	
WAH1T23050	\$362.44	\$1,842.90	\$227.39	\$1,196.53	
WAH1P15460	\$188.16	\$221.76	\$121.96	\$141.95	
WAH1S91170	\$179.57	\$795.25	\$116.85	\$523.18	
WAH1S79510	\$294.42	\$1,766.52	\$185.18	\$1,111.08	
WAH1T15690	\$589.19	\$4,370.96	\$362.44	\$2,710.73	
WAH1P05420	\$180.32	\$180.32	\$117.29	\$117.30	
WAH1S51040	\$31.54	\$189.24	\$28.77	\$172.60	
WAH1S90140	\$29.54	\$177.24	\$27.58	\$165.46	
WAH1S65970	\$28.68	\$172.08	\$27.06	\$162.39	
WAH1T24440	\$210.90	\$441.42	\$136.11	\$292.65	
WAH1S79650	\$215.26	\$1,291.56	\$138.08	\$828.48	
WAH2S13250	\$215.26	\$1,291.56	\$138.08	\$828.48	
WAH1S65940	\$115.80	\$563.34	\$79.11	\$395.17	
WAH2S03250	\$118.12	\$563.34	\$80.28	\$395.19	
WAH1P07360	\$190.20	\$570.60	\$123.17	\$349.51	
WAH1P09290	\$202.88	\$405.76	\$130.71	\$251.43	
WAH1P11930	\$278.96	\$672.04	\$175.98	\$409.86	
WAH1S66650	\$91.28	\$497.88	\$64.39	\$356.24	
WAH2S05580	\$88.33	\$497.88	\$62.56	\$356.24	
WAH1S66630	\$0.00	\$0.00	\$0.00	\$0.00	Canceled/Refunded
WAH1T27150	\$668.75	\$3,374.84	\$409.72	\$2,078.02	1. Committee of the com
WAH1S76540	\$108.09	\$463.25	\$74.44	\$325.63	
WAH1S52080	\$79.76	\$463.62	\$57.48	\$335.86	
WAH1S66030	\$83.88	\$408.06	\$60.06	\$302.80	
WAH2S04220	\$85.56	\$408.06	\$60.91	\$302.80	
WAH1S67010	\$35.65	\$207.00	\$31.22	\$183.16	

	Gross	Gross			
	Monthly	Premium	Net Premium	Net Premium	
Policy number	Premium	total	Received Monthly	Received Total	Notes
WAH1S75460	\$517.95	\$1,136.97	\$319.33	\$706.50	
WAH1T33120	\$157.98	\$1,455.96	\$104.00	\$976.30	
WAH1P11180	\$256.20	\$1,306.62	\$162.44	\$787.44	
WAH1S64770	\$18.71	\$177.24	\$21.13	\$165.45	
WAH1S95460	\$371.53	\$1,364.82	\$231.06	\$872.07	
WAH1S66730	\$81.96	\$461.04	\$58.82	\$334.32	
WAH1S79860	\$576.18	\$2,060.94	\$353.69	\$1,286.26	
WAH1S65670	\$85.63	\$770.64	\$60.95	\$518.53	
WAH1S78890	\$64.56	\$107.22	\$48.52	\$93.79	
WAH1S65730	\$137.40	\$634.14	\$92.06	\$437.32	
WAH1T25370	\$121.82	\$1,180.10	\$82.52	\$802.17	
WAH1S64320	\$129.94	\$406.05	\$87.79	\$291.60	
WAH1T35480	\$421.28	\$3,340.81	\$260.66	\$2,097.78	
WAH2S11860	\$0.00	-\$10.00	\$0.00	\$0.00	Canceled/Refunde
WAH1S81100	\$163.88	\$648.54	\$107.71	\$445.89	
WAH2S12180	\$163.88	\$648.54	\$107.51	\$445.88	
WAH1S66810	\$3.82	\$172.08	\$12.28	\$162.40	
WAH1T19710	\$168.45	\$957.33	\$111.02	\$679.61	
WAH1T19530	\$864.59	\$4,393.80	\$528.57	\$2,714.31	
WAH1S67880	\$159.01	\$484.86	\$105.38	\$348.49	
WAH1T31770	\$500.79	\$5,508.69	\$307.97	\$3,387.67	
WAH1S64360	\$0.00	\$0.00	\$0.00	\$0.00	Canceled/Refunded
WAH2S13040	\$0.00	\$0.00	\$0.00	\$0.00	Canceled/Refunded
WAH1S44720	\$328.11	\$897.65	\$206.67	\$584.10	
WAH1S65800	\$159.36	\$956.16	\$104.82	\$628.91	
WAH2S02600	\$121.31	\$727.86	\$82.18	\$493.08	
WAH1T23540	\$243.66	\$2,436.61	\$155.19	\$1,559.78	X
WAH1T28630	\$0.00	\$0.00	\$0.00	\$0.00	Canceled/Refunded
WAH1T25030	\$93.22	\$164.50	\$65.57	\$117.87	,
WAH1S89760	\$427.30	\$1,986.96	\$264.25	\$1,242.24	
WAH1S67580	\$22.90	\$2,060.94	\$23.63	\$1,286.26	
WAH1S63200	\$195.91	\$326.52	\$127.42	\$224.28	
WAH1S60890	\$108.41	\$517.02	\$74.72	\$367.63	A SPECIAL SECTION OF S
WAH1S97450	\$106.28	\$344.68	\$73.23	\$245.09	
WAH1S67410	\$96.35	\$578.10	\$67.33	\$403.97	
WAH1T35710	\$133.92	\$401.76	\$89.68	\$269.05	
WAH1S67940	\$0.00	\$0.00	\$0.00	\$0.00	Canceled/Refunded
WAH1S70020	\$418.47	\$1,621.56	\$260.43	\$1,024.82	cancerea/ Nerariace
WAH1970020 WAH1P13260	\$383.85	\$409.44	\$238.39	\$253.62	
WAH1T18460	\$213.72	\$2,137.20	\$137.16	\$1,371.64	
WAH116400 WAH1S65420	\$4.27	\$768.90	\$137.10	\$517.49	
WAH2S04890	\$193.24	\$1,159.44	\$124.98	\$749.87	
WAH1S63690	\$145.29	\$1,139.44	\$96.45	\$96.45	
	\$285.89	\$871.74		\$578.69	
WAH1S77900	7203.03	λο/1./4	\$180.63	φ3/6.09	

	Gross Monthly	Gross Premium	Net Premium	Net Premium	
Policy number	Premium	total	Received Monthly	Received Total	Notes
WAH1S96330	\$134.27	\$549.30	\$89.89	\$386.83	
WAH1T22590	\$83.31	\$749.79	\$59.57	\$536.13	<u> </u>
WAH1S48420	\$171.06	\$826.80	\$112.11	\$551.95	
WAH1S92040	\$247.29	\$1,393.80	\$157.14	\$889.31	
WAH1T20300	\$200.91	\$1,268.74	\$130.38	\$864.91	
WAH1S64340	\$154.14	\$295.17	\$102.26	\$205.63	
WAH1S65230	\$190.03	\$795.48	\$123.63	\$533.31	
WAH2S04300	\$200.49	\$956.16	\$129.29	\$628.92	
WAH1T19700	\$351.08	\$1,995.29	\$220.55	\$1,297.19	
WAH1T31960	\$275.32	\$3,028.52	\$173.82	\$1,911.97	
WAH1S66350	\$90.34	\$542.04	\$63.75	\$382.51	
WAH1T35720	\$125.57	\$1,381.27	\$84.71	\$931.86	
WAH1S63400	\$118.26	\$133.88	\$80.87	\$99.66	
WAH1S95670	\$159.05	\$954.30	\$104.63	\$627.81	
WAH1T24010	\$65.70	\$369.54	\$49.33	\$309.88	
WAH1T21340	\$71.09	\$527.01	\$52.53	\$423.56	
WAH1S62930	\$171.80	\$171.80	\$112.22	\$112.22	
WAH1S66500	\$166.75	\$857.58	\$109.45	\$570.26	
WAH1T19720	\$284.69	\$1,617.99	\$180.73	\$1,072.71	
WAH1S57910	\$151.69	\$503.82	\$100.91	\$359.78	
WAH1S89740	\$67.72	\$503.82	\$50.29	\$359.77	
WAH2S21100	\$65.98	\$503.82	\$49.26	\$359.77	
WAH1T29470	\$119.82	\$146.72	\$81.68	\$107.30	
WAH1S66240	\$84.90	\$509.40	\$60.52	\$363.09	

### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 105 of 761 PageID 507

 From:
 Heather Reeves

 To:
 Bullington, Jessica (OIC)

 Cc:
 Churchill, Harvey (OIC)

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Date:** Thursday, March 14, 2019 7:18:23 AM

Attachments: <u>image001.png</u>

LifeShield National Sample.pdf WA premium breakdown.xlsx

LN-4001 Individual HIP Policy (20160914).pdf

Ms. Bullington,

Please see our responses below and attached.

- What was the gross monthly premium? See Column "K" on the attached spreadsheet
- What was the gross premium for the term of the policy? See Column "L" on the attached spreadsheet
- 3. Did the Company receive the gross premium or the net premium after commission was retained? Net
  - a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?
  - b. If the Company received the net premium, what was the net prem See Column "K" on the attached spreadsheet ium received by month and for the entire term? See Columns "M" & "N" on the attached spreadsheet

What entity did the Company receive the premium payments from? See Column "O" on the attached spreadsheet

From the sample list of 44 policies, only 22 are still active. These policies can be active until the member turns age 65. We used this as the policy term date for the active policies and calculated the gross/net premiums for the entire term if the policy is in effect for the entire term.

Attached please also find a sample policy form which would have been issued to all certificate holders.

Please let us know if you have any questions, or require any additional information. Thank you.

#### Heather Reeves, AIRC, CRVPM II

AVP, Director of Compliance LifeShield National Insurance Co. 5701 N. Shartel, 1<sup>st</sup> FL, OKC, OK 73118 405-767-7201 P 405-767-7217 F

**From:** Bullington, Jessica (OIC) [mailto:JessicaB@oic.wa.gov]

Sent: Thursday, February 28, 2019 6:16 PM

**To:** Heather Reeves **Cc:** Churchill, Harvey (OIC)

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

File #1593742 Exhibit #4Fi Page 1 of 3

Importance: High

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting information from LifeShield National Insurance Company ("the Company"). Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

- 1. What was the gross monthly premium?
- 2. What was the gross premium for the term of the policy?
- 3. Did the Company receive the gross premium or the net premium after commission was retained?
  - a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?
  - b. If the Company received the net premium, what was the net premium received by month and for the entire term?
- 4. What entity did the Company receive the premium payments from?

Also, please provide a sample of all versions of the policy that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

Please provide your response as soon as possible and no later than **March 22, 2019**. If you have any questions, my contact information is below and I would be happy to assist you.

# Sincerely,





Senior Investigator Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

www.insurance.wa.gov | twitter.com/WA OIC | wainsurance.blogspot.com | email/text alerts

#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

Privileged/Confidential information may be contained in this message. If you are not the addressee indicated in this message (or responsible for delivery of the message to such person), you may not copy or deliver this message to anyone. In such case, you should destroy this message and kindly notify the sender by reply email. Please advise immediately if you or your employer does not consent to Internet email for messages of this kind.

Opinions, conclusions, and other information in this message that do not relate to the official business of my firm shall be understood as neither given nor endorsed by it.

File #1593742 Exhibit #4Fi Page 3 of 3

# **LifeShield National Insurance Co**

815 West Ash Ave., Duncan, OK 73533 Toll Free: 1-800-366-8354

### INDIVIDUAL ACCIDENT AND SICKNESS HOSPITAL INDEMNITY POLICY

### This Policy is a legal contract between you and us. Please read this Policy carefully

This Policy explains the insurance coverage issued to You. This Policy is issued to You in consideration of Your application form and the payment of the first premium. Your Policy is effective from 12:01 a.m. Standard Time on the Policy Effective Date where You live.

This, together with the Schedule of Benefits and a copy of Your application and any attached papers, forms Your insurance Policy. All statements made in Your application, in the absence of fraud, are representations and not warranties.

#### RENEWAL CONDITIONS

You have the right to renew this Policy on any renewal date by paying the renewal premium. Renewal premiums are those in effect for Your attained age at the time of renewal. Once renewed, the Policy will terminate for the following reasons only: (a) on the date premiums are not received when due, subject to the GRACE PERIOD provision; (b) the date occurring on or immediately following Your 65<sup>th</sup> birthday; (c) the date You become eligible for Medicare if prior to the attainment of Your 65<sup>th</sup> birthday; (d) the date You become a fulltime member of the Armed Forces of any country if the period of active duty exceeds 31 days; or (e) if We decide to non-renew all policies issued under this form number in Your state, in which case We shall provide you with 120 days advance written notice of non-renewal.

Termination will be without prejudice to any claim originating while this Policy is in force. We have the right to change the premium rates as described under the "Premium" section.

### [10][30]-DAY RIGHT TO EXAMINE POLICY

You have [10][30] days to review this Policy. If you are not satisfied and do not wish to keep the Policy, send it back to Us within [10][30] days of receiving it, and we will refund all premiums paid and Your coverage will be void, as if no Policy had been issued.

Signed for Us on the Policy Effective Date.

zs

Vice President

President

#### **NOTICE TO BUYER:**

THIS POLICY PROVIDES INSURANCE THAT IS A SUPPLEMENT TO HEALTH INSURANCE. IT IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE. LACK OF MAJOR MEDICAL COVERAGE (OR OTHER MINIMUM ESSENTIAL COVERAGE) MAY RESULT IN AN ADDITIONAL PAYMENT WITH YOUR TAXES.

This Policy does not provide Medicare supplement coverage. If an insured person is eligible for Medicare, review the guide to health insurance for people with Medicare available from us.

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PART J Payment of Claims	[X]
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PART L General Provisions	[X]

# **LifeShield National Insurance Co**

815 West Ash Ave., Duncan, OK 73533 Toll Free: 1-800-366-8354

# PART A SCHEDULES

### POLICY SCHEDULE

Policyholder: [John Doe]

**Are Eligible Dependents Covered?** [Yes] [No]

Policy Number: [12345]

Your Effective Date: [August 1, 2001]

**Anniversary Date:** [August 1<sup>st</sup> of subsequent years]

Initial Term: [12 Months]

**Premium Due Date** 1<sup>st</sup> of every Month

**Premium:** 

### SCHEDULE OF BENEFITS

Daily Benefit Amount [\$100-\$5,000
Maximum Number of Days per Period of Confinement [31-365]
[Elimination Period for Sickness [1-7] days
[Elimination Period for Accident [1-7] days
[DAILY INTENSIVE CARE UNIT CONFINEMENT BENEFIT
Daily Benefit Amount (Paid in Lieu of Daily Hospital Confinement Benefit Amount) [2 x Hospital Benefit Amount]
Maximum Number of Days per Period of Confinement [Same as Hospital Benefi
[Elimination Period for Sickness [1-7] days
[Elimination Period for Accident
IDHIVOLOLANIA OPPLOE VIOLE DENERE
[PHYSICIAN'S OFFICE VISIT BENEFIT
Benefit Amount [\$10 - \$75] per da
Maximum Number of Days 2 days of visits per Policy Year
[X-RAY AND LABORATORY BENEFIT
Benefit Amount [\$10 - \$200] per da
Maximum Number of Days 2 days per Policy Year
2 days per rolley Teal
MAXIMUM POLICY YEAR BENEFIT
Maximum Policy Year Benefit Amount [\$1,000-\$100,000

PART B DEFINITIONS

When We use the following words, this is what We mean:

- "Accident" (Accidental Bodily Injury) means a bodily Injury resulting directly from an accident and independently of all other causes occurring while a Covered Person's coverage is in force under the Policy. It does not include an intentional, self-inflicted Injury, while sane.
- "Complications of Pregnancy" means conditions which require Hospital stays before the pregnancy ends and whose diagnoses are distinct from but are caused or affected by pregnancy. These conditions are: (a) acute nephritis or nephrosis; (b) cardiac decompensation or missed abortion; (c) similar medical and surgical conditions of comparable severity; non-elective caesarean section; termination of an ectopic pregnancy; and spontaneous termination when a live birth is not possible. (This does not include an elective abortion.)
- "Confined" or "Confinement" means admission to a Hospital by a Physician as a registered bed-patient for at least 24 hours.
- "Dependents/Eligible Dependents" means Your Spouse [or Domestic Partner] and Your unmarried child under the age of 26, including a natural child, a child who is legally adopted or placed for adoption with You, and a stepchild; but excluding: (a) a child age 26 or older, unless such child is classified as an Incapacitated Dependent Child; (b) a child entitled to benefits under Title XVIII of the Social Security Act, P.L. 89-97, 42 U.S.C. Section 1395, et. Seq; (c) a legally separated Spouse; and (d) a Spouse [or Domestic Partner] or child on active duty in any military, naval, or air force of any nation or international authority.
- "Domestic Partner" means a person designated at time of application by You who is registered as a Domestic Partner or legal equivalent under laws of the governing jurisdiction or who: (a) is at least 18 years of age and competent to enter into a contract; (b) is not related to You by blood; (c) has exclusively lived with You for at least twelve (12) consecutive months prior to the date of enrollment; (d) is not legally married or separated; and (e) as of the date of application, has with You at least two (2) of the following financial arrangements: a joint mortgage or lease; a joint bank account; joint title to or ownership of a motor vehicle or status as a joint lessee on a motor vehicle lease; or a joint credit card account with a financial institution. Neither You nor Your Domestic Partner can be married to, nor in a civil union with, anyone else. You may never have more than one Spouse or Domestic Partner insured under this coverage at any given time.
- **["Elimination Period"** means the consecutive amount of time, shown in the Schedule of Benefits, that must elapse before a benefit amount becomes payable. The Elimination Period begins on the first day of an Insured Person's Confinement. Benefit amounts are not payable, nor do they accrue, during an Elimination Period.]
- "Hospital" means a legally constituted and operated institution which: (a) primarily engages in providing care and treatment of sick or injured persons on an inpatient basis; and (b) provides such care and treatment under the supervision of one or more Physicians and with 24 hours nursing service under the supervision of the Physician in charge of the Hospital; and (c) has organized facilities for laboratory and diagnostic work; and (d) has facilities for major surgery either on its premises or available on a pre-arranged contractual basis. Hospital also includes a residential treatment facility specializing in the care

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and treatment of alcoholism, drug addiction, or chemical dependency, provided such facility is duly licensed, if licensing is required by law in the jurisdiction where it is located, or otherwise lawfully operated if such licensing is not required. In no event, however, shall the term hospital include an institution that is primarily a rest home, a nursing home, a convalescent home, a rehabilitation center, an extended care facility, or a home for the aged.

- "Immediate Family" means anyone related to an Insured Person in the following manner: the Spouse, Domestic Partner, father (including stepfather), mother (including stepmother), sons (including stepsons), daughters (including stepdaughter), brothers or sisters (including stepbrothers or stepsisters), grandchildren, or father- or mother-in-law of any Insured Person.
- "Incapacitated Dependent Child" means a child who, as a result of being mentally or physically disabled, is incapable of self-sustaining employment and dependent on You for support and maintenance. The incapacity must have occurred while the child was: (a) under the age of 26; and (b) covered as a Dependent child under this Policy.
- "Injury" means bodily injury: (a) which is sustained as a direct result of an Accident; and (b) which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a loss covered by the Policy.
- "Insured Person(s)" means You and any Dependents covered under this Policy as shown in the Schedule of Benefits.
- **"Period of Confinement"** means a period of days of Hospital Confinement beginning with the date the Insured Person is admitted to the Hospital. This period will end once the Insured Person has been cumulatively confined for the same Accident for the number of days shown in the Schedule of Benefits. Confinement as a result of a different Accident begins a new Period of Confinement
- **"Physician"** means a practitioner of the healing arts duly licensed and practicing within the United States, and legally qualified to provide medical treatment. Such person must not be an Insured Person or an Immediate Family member or a business associate.
- **"Policyholder"** means the person who has: (a) applied for this Policy and named as the "Policyholder" in the Policy Schedule; and (b) paid any required premium due for this Policy. The Policyholder is the owner of this Policy and is also referred to as "You" or "Your" in this Policy
- **"Policy Year"** is the 12 consecutive month period, beginning with Your Effective Date and ending on the day immediately prior to the Policy Anniversary Date shown in the Policy Schedule.
- **"Pre-existing Condition"** means a Sickness or Accidental Injury for which medical advice, treatment or care was sought by an Insured Person or was recommended by, prescribed by or received from a Physician within the 12 months before the Insured Person becomes insured under the Policy.
- "Sickness" means a physical illness or disease that begins while the Policy is in force and is not a Preexisting Condition. Sickness includes Complications of Pregnancy. All Sicknesses due to the same or a related cause are considered one Sickness.

"Spouse" means Your lawful spouse.

"We", "Our" or "Us" means LifeShield National Insurance Company.

"You" or "Your" means the Policyholder named in the Policy Schedule.

### **PART C**

### YOUR EFFECTIVE DATE

**EFFECTIVE DATE:** This Policy begins on the Policy Effective Date shown on the Policy Schedule page at 12:01 AM Standard Time at Your address.

Coverage is subject to Our designated representative or Our receipt of the required written application form along with any premium due.

#### **PART D**

#### DEPENDENT PROVISIONS

#### **ELIGIBLE DEPENDENTS:**

A Dependent is eligible for coverage under the Policy upon meeting the following requirements:

- (a) The Dependent Spouse [or Domestic Partner] is under age 65;
- (b) The Dependent Child is under age 26 or, if over age 26, is classified as an Incapacitated Dependent Child.
- (c) You have submitted a written request, on a form approved by Us, naming the individual as a Dependent; and
- (d) The Dependent is a permanent resident of the United States and its jurisdictions and territories.

You must be covered in order for Your Dependents to be insured.

EFFECTIVE DATE OF DEPENDENT'S COVERAGE: Except for newborns or adopted children, an Eligible Dependent's coverage will be effective on the later of Your effective date if included in the initial enrollment, or the endorsement date if added at a later date. An Eligible Dependent must not be hospital confined or unable to perform the same activities as those he or she could perform at the time of enrollment on the date insurance would otherwise become effective. If Hospital confined or unable to perform such activities, his or her insurance will be deferred until the date he or she is no longer confined or able to perform such activities.

**NEWBORN AND ADOPTED CHILDREN:** Any child of You or Your covered Spouse born or adopted, regardless of the age at which the child is adopted, or a child who has been placed with the You and for whom the application and approval procedures prescribed by law for adoption have been completed, while coverage under this Policy is in force, will be immediately covered as an Insured Person from the moment of birth, adoption or placement for adoption for 31 days from the moment of birth, adoption or placement for adoption.

In order for coverage to continue beyond such date, We must receive: (a) written notice of the birth, adoption or placement for adoption of the newborn, adopted child or child placed for adoption; and (b) any required premium within 31 days of such birth, adoption, or placement for adoption.

Please include the child's name, date of birth and sex with such notice.

**TERMINATION OF DEPENDENT COVERAGE:** Coverage for a dependent will terminate: (a) on the date Your coverage terminates, except when coverage continues with Your Spouse as the new Insured; (b) on the date premiums are not received for such Dependent when due, subject to the GRACE PERIOD provision; (c) the date the dependent no longer qualifies as an Eligible Dependent; (d) the date the covered Dependent becomes a fulltime member of the Armed Forces of any country if the period of active duty exceeds 31 days; or (e) for a Dependent Spouse [or Domestic Partner], the date following the final decree of dissolution of marriage [or domestic partnership].

It is Your obligation to notify Us if the Dependent no longer qualifies for coverage.

Our acceptance of premium after such termination date will be considered as premium only for the remaining persons who qualify for coverage. Our liability will be limited to a refund of any subsequent overpayment. If Your premium needs to be changed due to the termination of dependent coverage, You should notify Us and We will adjust it accordingly.

PART E BENEFITS

### HOSPITAL CONFINEMENT INDEMNITY BENEFIT

We will pay the daily Hospital Confinement benefit amount for each day You are Confined to a Hospital[, beginning on the day following the Elimination Period] shown in the Schedule of Benefits, due to an Accident or Sickness. The first day of a Hospital stay due to an Accident must occur within 365 days of the Accident.

The Hospital benefit amount will be paid until the earliest of the date the:

- 1) Insured Person dies;
- 2) Insured Person is no longer Hospital Confined; or
- 3) Maximum number of days, shown in the Schedule of Benefits, has elapsed.

# **INTENSIVE CARE UNIT CONFINEMENT INDEMNITY BENEFIT**

If You are Confined to a Hospital for which the Daily Hospital Confinement Benefit is payable, and You are confined to the intensive care unit (hereafter referred to as "ICU") of the Hospital, We will pay a daily benefit[, beginning on the day following the Elimination Period] shown in the Schedule of Benefit, in lieu of the Daily Hospital Confinement benefit. This ICU confinement benefit will be:

- 1) equal to Daily Benefit Amount shown in the Policy Schedule; and,
- 2) paid for up to the Maximum Number Days per Period of Confinement.]

# [PHYSICIAN'S OFFICE VISIT BENEFIT

We will pay the Benefit Amount shown in the Schedule of Benefits, subject to the following conditions and limitations, if an Insured Person visits a Physician's office. We will cover 2 days of visits per Policy Year, but only 1 day in the first 6 months of the Policy.]

### **[X-RAY AND LABORATORY BENEFIT**

We will pay the Benefit Amount shown in the Schedule of Benefits for x-ray and laboratory costs when prescribed by a Physician for an Insured Person.]

# MAXIMUM POLICY YEAR BENEFIT

The maximum benefit amount paid in any one Policy Year, all benefits combined, is shown in the Policy Schedule. Once this Benefit Amount is reached, no further benefits will be paid under this Policy until the beginning of a new Policy Year when the Maximum Policy Year Benefit is renewed.

# RECURRENT CONDITIONS

If an Insured Person is discharged from the Hospital and a different Accident or Sickness causes such Insured Person to be Hospital confined again after 3 days of non-confinement, then We will consider it a new Period of Confinement. If an Insured Person is discharged from the Hospital and readmitted for the same Accident or Sickness as the prior Period of Confinement within 180 days of discharge from the prior Period of Confinement, it will be considered the same Period of Confinement and the Insured Person will be subject to the same Maximum Number of Days shown in the Schedule of Benefits for that Accident or Sickness. If it is considered a new Period of Confinement then the Insured Person is entitled to a new Maximum Number of Days.

### **PART F**

# **EXCLUSIONS AND LIMITATIONS**

We will not pay benefits for any loss:

- (1) Caused by or resulting from the Insured Person being intoxicated, at the time of an Accident ("Intoxication" is defined by the laws of the jurisdiction where such Accident occurs); or
- (2) Caused by suicide or intentionally self-inflicted injuries while sane; or
- (3) Caused by or resulting from war or any act of war, declared or undeclared; or
- (4) That occurs while in the armed forces of any country (any premium paid to Us for any period or which coverage is not provided while the Insured Person is in such service will be returned on a pro-rata basis); or
- (5) Due to active participation in a riot or insurrection; or
- (6) Sustained or incurred during the Insured Person's commission or attempted commission of a felony or engaging in an illegal occupation; or
- (7) while voluntarily taking drugs that the federal law prohibits dispensing without a prescription, including sedatives, narcotics, barbiturates, amphetamines, or hallucinogens, unless the drug is taken as prescribed or administered by a Physician; or
- (8) Caused while riding in or on, entering into or alighting from, or being struck by a motor vehicle not designed primarily for use on public streets and highways; or
- (9) Caused by or resulting from, directly or indirectly, any occurrence while the Insured Person is incarcerated; or
- (10) Caused by participation in or practice for interscholastic tackle football, intercollegiate sports, semi-professional sports, professional sports, ballooning, mountaineering, hang gliding, sky diving, parachuting, bungee jumping, spelunking, jet skiing, or scuba diving; or
- (11) Caused by participation in or practice for professional motorized racing, speed test, or stunt show; or
- (12) That is the result of cosmetic surgery or care or treatment solely for cosmetic purposes or complications therefrom. This exclusion does not apply to cosmetic surgery resulting from an Accident if initial treatment of the Insured Person is begun within 12 months of the date of the Accident or to treat congenital defects in covered newborns.

**PRE-EXISTING CONDITIONS LIMITATION:** This insurance does not pay any benefits for a loss caused by or resulting from a Pre-existing Condition if the loss occurs during the first 12 months that an Insured Person is covered under this Policy.

### PART G PREMIUMS

Coverage is in consideration of and subject to payment of the first premium. Your first premium and premium payment mode is shown in the Policy Schedule. Subsequent premiums are due and payable on the premium due date.

We have the right to adjust the premium rates on any renewal date on or after this Policy has been in force for at least one year. Any change in premium rate will not be made for reasons of age, sex or condition of health, or in any manner which would affect single policies. We will give you written notice of at least 60 days prior to any changes in the rates. The premium rates will not be adjusted more than once in any 365-day period.

**GRACE PERIOD:** We will grant a grace period of 31 days for each premium payment due after the first premium payment. Coverage remains in force during the grace period unless You have given Us written notice of Your cancellation. There is no grace period if We have been given such a cancellation notice.

Failure to pay a premium within the grace period will cause coverage to lapse at the end of the grace period.

### **PART H**

#### **HOW TO FILE A CLAIM**

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after any loss covered by an issued and in force Policy occurs or starts. If notice is not given within that time, it must be given as soon as reasonably possible. Notice must be received by Us at our Administrative Office in Duncan, Oklahoma. It should include Your name and Policy number.

**CLAIM FORMS:** When We receive the notice of claim, We will send the claimant forms for filing proof of loss. If these forms are not sent to the claimant within 15 days, the claimant will be deemed to have met the proof of loss requirement by giving Us a written statement of the nature and extent of the loss within the time limit stated in the Proof of Loss provision.

**PROOF OF LOSS:** Written proof of loss must be given to Us within 90 days after such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the time specified unless the claimant was legally incapacitated.

# **PART I**

#### TIME OF PAYMENT OF CLAIMS

Benefits for any loss covered by an issued and in force Policy will be paid immediately once We receive proper written Proof of Loss.

### **PART J**

### **PAYMENT OF CLAIMS**

All benefit payable under this Policy will be paid directly to You, unless You assign these benefits to a Physician, Hospital or other person or institution eligible to receive such benefits. In the event of Your death, any benefits due and unpaid will be paid (in the absence of a valid assignment of benefits) to

### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 117 of 761 PageID 519

Your beneficiary or to Your estate. Any payment made by Us in good faith pursuant to this provision will fully release Us to the extent of such payment.

# **PART K**

### **ASSIGNABILITY**

The benefits payable under this Policy are assignable.

### **PART L**

### **GENERAL PROVISIONS**

**ENTIRE CONTRACT; CHANGES:** This Policy is a legal contract between You and Us. The entire contract consists of this Policy, which includes the application, and any attached riders, endorsements or papers. No change in this Policy will be effective until approved by one of Our officers. Such officer approval must be noted on or attached to this Policy. No agent has any authority to change this Policy or to waive any of the Policy provisions. All statements in the application are deemed representations and not warranties.

**CONFORMITY WITH STATE STATUTES:** On the Policy Effective Date, if any contract provision conflicts with the laws of the state of issue, it shall be deemed to conform to such law.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the date a person becomes covered under this Policy We cannot use misstatements, except fraudulent misstatements, in the application for this Policy to void coverage or deny a claim for loss that happens after the 2-year period.

**LEGAL ACTIONS:** An Insured Person cannot bring any action at law or in equity to recover under this Policy for at least 60 days after he or she has given Us written Proof of Loss. No such action shall be brought after three (3) years from the time written Proof of Loss is required to be given.

**MISSTATEMENT OF AGE:** If the age of an Insured Person has been misstated, an adjustment in premiums, coverage, or both, will be made based on the Insured Person's true age. No misstatement of age will continue insurance otherwise validly terminated or terminate insurance otherwise validly in force.

**PHYSICAL EXAMINATION AND AUTOPSY:** We have the right to have an Insured Person examined when and as often as is reasonable during the handling of a claim and to do any autopsy where it is not forbidden by law. If We initiate the request, either or both will be done at Our expense.

**REINSTATEMENT:** If any renewal premium is not paid within the time granted You for payment, a subsequent acceptance of premium by Us or by an agent of Ours duly authorized by Us to accept such premium, without requiring in connection therewith an application for reinstatement, will reinstate this Policy; provided, however, that if We or Our authorized agent requires an application for reinstatement, and issues a conditional receipt for the premium tendered, this Policy will be reinstated upon approval of the application by Us or, lacking such approval, upon the 45<sup>th</sup> day following the conditional receipt, unless We have previously notified You in writing of Our disapproval of the application. The reinstated Policy will cover only loss resulting from such Accidental Injury as may be sustained after the date of reinstatement and loss due to such Sickness as may begin more than 10 days after such date. In all other respects, We and You will have the same rights as those provided under this Policy immediately before the due date of the defaulted premium, subject to the provisions of any rider which may be attached in connection with the reinstatement. Any premium accepted in connection with a reinstatement

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 118 of 761 PageID 520

will be applied to a period for which premium has not been previously paid, but not to any period of more than 60 days prior to the date of reinstatement.

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From: <u>Bullington, Jessica (OIC)</u>

To: <u>Scott Intravia</u>

Cc: <u>Churchill, Harvey (OIC)</u>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Date:** Monday, April 22, 2019 8:17:14 AM

Attachments: <u>image001.png</u>

Thank you for the additional information. Please give me a call next week when you are back and we can discuss this further. We appreciate your help and look forward to speaking with you next week.

# Sincerely,



# Jessica Bullington

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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### **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Scott Intravia [mailto:sintravia@magnamonroe.com]

**Sent:** Sunday, April 21, 2019 12:41 AM

**To:** Bullington, Jessica (OIC) <JessicaB@oic.wa.gov> **Cc:** Churchill, Harvey (OIC) <HarveyC@oic.wa.gov>

Subject: Re: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Bullington, I apologize for the delayed response and respectfully request additional time to try and help you. I have been on the road and will be gone again all next week. Magna Monroe Management Group is an LLC in Louisiana and entered into a consulting agreement on 1/23/2016 with Alliance for Consumers USA (ACUSA) domiciled in the state of Nebraska. At that time ACUSA had an existing Rx benefit that was provided to the members under a policy issued to ACUSA from Gerber Life Insurance Company. To the best of my knowledge, the Rx plan was available for WA residents under the Gerber policy. Once ACUSA received termination of the

File #1593742 Exhibit #4Gi Page 1 of 10

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 120 of 761 PageID 522

Gerber Rx policy, all marketing partners that sell ACUSA memberships were provided an updated state listing which did not include WA and to the best of my knowledge HII and one other marketing company stopped soliciting memberships that included an Rx benefit.

I have requested membership information from ACUSA and it's TPA Equipoint Partners for the membership data you requested and should have that listing soon. It should match the information that HII had previously provided.

I think I answered many of your questions and appreciate your understanding or consideration of the extension requested. I am not sure I understand some of the questions as it relates to obligations or obligator and have been providing information to assist with the HII investigation you initially referred to. Would it make sense to discuss when I get back to the office the week after next? Please advise.

Thanks

Scott

#### Get Outlook for iOS

From: Bullington, Jessica (OIC) < <u>jessicab@oic.wa.gov</u>>

Sent: Wednesday, April 10, 2019 2:44 PM

To: Scott Intravia

**Cc:** Churchill, Harvey (OIC)

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

#### Scott:

We have not received a response to the inquiry that was sent to you on March 27, 2019. The original email is included below. Please provide your response as soon as possible and no later than **April 17, 2019**.

Sincerely,

# **Jessica Bullington**

Senior Investigator Regulatory Investigations Unit Legal Affairs Division



Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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# **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Bullington, Jessica (OIC)

Sent: Wednesday, March 27, 2019 2:50 PM

**To:** 'Scott Intravia' < <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:Ce: Churchill">Ce: Churchill</a>, Harvey (OIC) < <a href="mailto:HarveyC@oic.wa.gov">HarveyC@oic.wa.gov</a> >

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Importance: High

#### Scott:

Thank you for the additional information. Am I correct in understanding that prior to 2016 the coverage was underwritten by Gerber and since then the obligation has been assumed by the Association? Based on my understanding of your response, we do have some additional questions at this time:

- What is the full legal name of the Gerber insurer that underwrote the coverage prior to 2016?
- What date did the insurance provided by Gerber end?
- Why did Gerber discontinue the coverage?
- Was the Gerber product approved for sale in Washington State?

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 122 of 761 PageID 524

- Is the product still being solicited to Washington consumers? If no, when did the solicitations stop?
- Did you notify HII that the coverage was not available to Washington consumers?
- Is the Association the only entity that has been obligated to pay claims for the Washington consumers since the Gerber coverage ceased?
- What is the full legal name of the Association?
- Please provide us with the name, phone number, and email of an appropriate contact at the Association.
- What is Magna Monroe's involvement with the Association's coverage?
- What is EquiPoint Partners involvement with the Association's coverage?

Also, please provide us with the following documentation:

- Any correspondence in the possession of Magna Monroe in which HII is notified that the coverage is not available in Washington.
- A flowchart that identifies all entities, and their specific role(s), who are or were involved with the non-Gerber coverage that was sold to Washington consumers.
- A spreadsheet of all Washington consumers who were provided the coverage that was backed by the Association at any time during the period of January 1, 2016 through current. The spreadsheet shall include the following information for each policy/certificate:
  - o Identifying number (e.g. the policy, certificate, or account number)
  - Consumer name
  - Effective date of coverage
  - Expiration date of coverage (If no longer active)
  - Total premium received to date: If the gross premium was received, please also provide the net premium retained and an itemization of all disbursements.
  - Name of the insurance producer

We appreciate your cooperation and look forward to your response. If you have any questions or concerns, please let me know as I am happy to assist you.

Sincerely,





Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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# **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Scott Intravia [mailto:sintravia@magnamonroe.com]

Sent: Wednesday, March 27, 2019 7:35 AM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>> **Cc:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>

Subject: Re: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Burlington, I have requested the documents that were provided to the consumers listed in your spreadsheet since a lot changed in 2016 when Gerber terminated the business for the Association members. We did not want to leave any WA consumers without coverage if they needed it but active solicitations should have ceased and we still should not have anyone soliciting new business in WA as the replacement carriers Do not have an Association policy approved in your state.

For the consumers that retained their membership and pharmacy benefit, the Association has paid all claims on the same benefits that the member initially enrolled. HII issues the ID cards and a description of coverage and I will forward thosemupon receipt.

Hopefully this sheds some light but I thought it was important for you to understand.

I probably sparked more questions for you so please feel free to ask and I will help in anyway provide information or if we need to terminate the few members still active, please advise.

Thanks for your understanding

Scott

#### Get Outlook for iOS

From: Bullington, Jessica (OIC) < <a href="mailto:jessicab@oic.wa.gov">jessicab@oic.wa.gov</a>>

**Sent:** Tuesday, March 26, 2019 1:30 PM

**To:** Scott Intravia

Cc: Churchill, Harvey (OIC)

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

#### Mr. Intravia:

Thank you for your response. We would like to see a copy of the documentation that is issued to the consumer even if the documentation is not a "policy". Please provide all documentation that a consumer receives (e.g. ID cards, coverage brochure, etc.) Also, please identify the underwriting carrier if this is an insurance product. If it is not an insurance contract, then please identify the obligor.

# Sincerely,



# Jessica Bullington

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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### **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Scott Intravia [mailto:sintravia@magnamonroe.com]

Sent: Tuesday, March 26, 2019 11:05 AM

To: Bullington, Jessica (OIC) < <a href="mailto:JessicaB@oic.wa.gov">JessicaB@oic.wa.gov</a>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Burlington,

This e-mail is in response your inquiry. Based upon the spreadsheet you previously provided, each association member's effective date and termination date have been added to the attached spreadsheet as well as the monthly association membership fees that were sent from HPIH.

1. What was the gross monthly premium?

Response: The association monthly membership fees with an Rx plan as listed in spreadsheet.

2. What was the gross premium for the term of the policy?

Response: The attached spreadsheet shows the total association monthly membership fees collected from HIPH.

3. Did the Company receive the gross premium or the net premium after commission was retained?

Response: Same as 2 above.

a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?

Response: The company received a monthly association membership fee which includes a net premium for an Rx program for the individuals in your sample.

b. If the Company received the net premium, what was the net premium received by month and for the entire term?

File #1593742 Exhibit #4Gi Page 7 of 10

Response: Please see attached.

4. What entity did the Company receive the premium payments from?

Response: HIPH

The Company does not issue any policies for this program.

Please let me know if you need anything else to assist. Thanks

Scott

From: Bullington, Jessica (OIC) [mailto:JessicaB@oic.wa.gov]

Sent: Monday, March 11, 2019 1:41 PM

**To:** Scott Intravia < <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

# Thank you!



?

Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

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# Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

**From:** Scott Intravia [mailto:sintravia@magnamonroe.com]

File #1593742 Exhibit #4Gi Page 8 of 10

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 127 of 761 PageID 529

**Sent:** Monday, March 11, 2019 10:27 AM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>> **Cc:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Bullington, I wanted to confirm receipt of your request and wanted to let you know I was working on gathering any information we have to assist and provide further data as requested. I hope to have something back to you by the end of the week.

**Thanks** 

Scott

**From:** Bullington, Jessica (OIC) [mailto:JessicaB@oic.wa.gov]

Sent: Thursday, February 28, 2019 6:33 PM

**To:** Scott Intravia <<u>sintravia@magnamonroe.com</u>> **Cc:** Churchill, Harvey (OIC) <<u>HarveyC@oic.wa.gov</u>>

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Importance:** High

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting information from Magna Monroe Management, LTD ("the Company"). Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

- 1. What was the gross monthly premium?
- 2. What was the gross premium for the term of the policy?
- 3. Did the Company receive the gross premium or the net premium after commission was retained?
  - a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?
  - b. If the Company received the net premium, what was the net premium received by month and for the entire term?
- 4. What entity did the Company receive the premium payments from?

Also, please provide a sample of all versions of the policy that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form,

File #1593742 Exhibit #4Gi Page 9 of 10

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 128 of 761 PageID 530

then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

Please provide your response as soon as possible and no later than **March 22, 2019**. If you have any questions, my contact information is below and I would be happy to assist you.

# Sincerely,



# Jessica Bullington

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259

Fax: 360.664.2782

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# **Protecting insurance consumers**

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File #1593742 Exhibit #4Gi Page 10 of 10



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#### **Secured Message**

Reply

ReplyAll

Page 1 of 1

From: Reynolds, David P (Dave) <dave.reynolds@nationwide.com>

To: "jessicab@oic.wa.gov" <jessicab@oic.wa.gov>
CC: "Davis, Cheryl L" <cheryl.davis@nationwide.com>

Date: 03/21/2019 11:08:59 AM PDT

Subject: Nationwide Response - Health Plan Intermediaries Holdings, LLC.

Attachments: WA NCC NSI Response 03.21.2109.pdf WA Association Dental 3.15.19.xls

Good afternoon Ms. Bullington,

Attached is our response to the investigation request for information regarding Health Plan Intermediaries Holdings, LLC.

Should you have any follow-up questions after your review, my contact information is listed below.

Thank you.

#### Dave



#### Dave Reynolds, MCM

Compliance Consultant, Market Conduct Group
Proud Nationwide Member
Office of Compliance and Ethics
One Nationwide Plaza 1-35-206
Columbus, OH 43215-2220
W 614-677-0764
Dave.Reynolds@nationwide.com

Reply

ReplyAll

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File #1593742 Exhibit #4Hi Page 1 of 3



# Washington Office of Insurance Commissioner Request Nationwide Response March 21, 2019

Please find below, responses to the Washington Office of Insurance Commissioner (WA OIC) request related to the investigation of Health Plan Intermediaries Holdings, LLC. ("HPIH"). If you have any questions, please contact Cheryl Davis by email at <a href="mailto:davisc60@nationwide.com">davisc60@nationwide.com</a> or by telephone at (614) 249-4580. Thank you.

WA OIC Question #1: What was the gross monthly premium?

# **Company Response:**

Please see attachment titled "WA Association Dental" column d – Gross Premium.

WA OIC Question #2: What was the gross premium for the term of the policy?

# **Company Response:**

Please see attachment titled "WA Association Dental" column f – Total Premium for Term.

**WA OIC Question #3:** Did Nationwide receive the gross premium or the net premium after commission was retained?

#### **Company Response:**

Nationwide receives gross premium from Health Plan Intermediaries Holdings, LLC.

**WA OIC Question #3a:** If Nationwide received the gross premium, how much commission was paid and who was the commission paid to?

### **Company Response:**

Health Plan Intermediaries Holdings, LLC. Please see attachment titled "WA Association Dental" column g – Total Commission Paid for Term.

**WA OIC Question #3b:** If Nationwide received the net premium, what was the net premium received by month and for the entire term?

### **Company Response:**

N/A

Nationwide considers the information submitted herewith confidential, proprietary and trade secret information. The disclosure of this information could adversely affect Nationwide's ability to compete in the insurance business in your state. Therefore, Nationwide is submitting this information with the understanding that it will not be released to the public and will be treated with the utmost confidentiality.



# Washington Office of Insurance Commissioner Request Nationwide Response March 21, 2019

**WA OIC Question #4:** What entity did Nationwide receive the premium payments from?

# **Company Response:**

Health Plan Intermediaries Holdings, LLC.

**WA OIC Question:** Also, please provide a sample of all versions of the policy that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

# **Company Response:**

No policies were issued to the 23 consumers listed in the spreadsheet. Due to an implementation error, the online enrollment platform (owned by Health Plan Intermediaries Holdings (HPIH), LLC) incorrectly permitted Washington residents to sign up for dental coverage. The Nationwide Dental product, available through membership in the MedSense Guaranteed Association, is not currently filed or approved in Washington. Upon discovery of the error all applicants were personally called and informed that their Nationwide policies would need to be cancelled and advised of other options for carriers approved in Washington. A full premium refund was also provided to each applicant. The online enrollment platform was then corrected to prevent Washington residents from enrolling. HPIH has subsequently installed stronger controls to ensure this error does not occur again. As additional oversight, Nationwide reviews eligibility during annual on-site reviews to ensure applicants can only enroll in states approved to sell business.

Nationwide considers the information submitted herewith confidential, proprietary and trade secret information. The disclosure of this information could adversely affect Nationwide's ability to compete in the insurance business in your state. Therefore, Nationwide is submitting this information with the understanding that it will not be released to the public and will be treated with the utmost confidentiality.

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 132 of 761 PageID 534

From: Reynolds, David P (Dave)
To: Churchill, Harvey (OIC)

Cc: Davis, Cheryl L; Bullington, Jessica (OIC)

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Date:** Thursday, April 18, 2019 12:26:49 PM

Attachments: <u>image006.png</u> image007.png

image007.png image008.png image002.png

Good afternoon Mr. Churchill,

Responses to the two questions received April 11, 2019 have been placed below.

After your review, please let me know if you have any further questions.

Thank you.

Dave



Dave Reynolds, MCM
Compliance Consultant, Market Conduct Group
Proud Nationwide Member
Office of Compliance and Ethics
One Nationwide Plaza 1-35-206
Columbus, OH 43215-2220
W 614-677-0764

Dave.Reynolds@nationwide.com

From: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>

**Sent:** Thursday, April 11, 2019 6:40 PM

**To:** Davis, Cheryl L < <a href="mailto:cheryl.davis@nationwide.com">cheryl L < <a href="mailto:cheryl.davis@nationwide.com">cheryl L < <a href="mailto:cheryl.davis@nationwide.com">cheryl.davis@nationwide.com</a>; Lu, Linda < <a href="mailto:LUL1@nationwide.com">LUL1@nationwide.com</a>; Breitstadt, Charles P (Charlie)

<BREITSC@nationwide.com>

CcSubject: [EXTERNAL] RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Nationwide Information Security Warning:** This is an external email. Do not click on links or open attachments unless you trust the sender.

Good Afternoon,

Thank you for your assistance to date. I am working with Jessica on the investigation involving Health Plan Intermediaries Holdings.

I am hoping you can clarify the response you provided from 3/21/19:

1. Identify the process use in the refund to the affected consumers and the parties involved.

Health Plan Intermediaries Holding, LLC (HPIH) ran a report to determine the members who needed a refund due to the purchase of Nationwide dental product in the state of Washington. Using the report, HPIH processed premium back to the payment method on file, which was provided by the consumer either at time

File #1593742 Exhibit #4Hiii Page 1 of 3

of purchase or during policy period. Each member was refunded in full.

2. Did Nationwide recover the commissions paid to HII? For those sales?

HPIH refunded the members in full, including any commission. There are no commissions to be repaid.

Thank you, in advance, for your continued assistance. If you have any questions, please do not hesitate to contact either myself or Jessica.

Harv



### Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)

HarveyC@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Davis, Cheryl L [mailto:cheryl.davis@nationwide.com]

Sent: Thursday, February 28, 2019 5:52 PM

To: Bullington, Jessica (OIC) < JessicaB@oic.wa.gov>; Lu, Linda < LUL1@nationwide.com>; Breitstadt, Charles P (Charlie)

<BREITSC@nationwide.com>

Cc: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Jessica,

Confirming receipt. I will be your point of contact going forward.

We will let you know if we have any questions.

Thanks, Cheryl



#### Cheryl Lynn Davis, AMCM, ALMI, AIRC, ACS

Sr. Compliance Director, Market Conduct Group
Proud Nationwide Member
Office of Compliance and Ethics
W 614-249-4580 | C 614-204-6690 | F 855-399-3567
Cheryl.davis@nationwide.com

From: Bullington, Jessica (OIC) < <a href="mailto:lessicaB@oic.wa.gov">lessicaB@oic.wa.gov</a>>

Sent: Thursday, February 28, 2019 7:18 PM

To: Lu, Linda < LUL1@nationwide.com >; Davis, Cheryl L < cheryl.davis@nationwide.com >; Breitstadt, Charles P (Charlie)

<BREITSC@nationwide.com>

Cc: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>

Subject: [EXTERNAL] WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Importance: High

Nationwide Information Security Warning: This is an external email. Do not click on links or open attachments unless you

File #1593742 Exhibit #4Hiii Page 2 of 3

trust the sender.

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting information from Nationwide Life Insurance Company and Nationwide Mutual Insurance Company ("Nationwide"). Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

- 1. What was the gross monthly premium?
- 2. What was the gross premium for the term of the policy?
- 3. Did Nationwide receive the gross premium or the net premium after commission was retained?
  - a. If Nationwide received the gross premium, how much commission was paid and who was the commission paid to?
  - b. If Nationwide received the net premium, what was the net premium received by month and for the entire term?
- 4. What entity did Nationwide receive the premium payments from?

Also, please provide a sample of all versions of the policy that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

Please provide your response as soon as possible and no later than **March 22, 2019**. If you have any questions, my contact information is below and I would be happy to assist you.

#### Sincerely,



#### **Jessica Bullington**

Senior Investigator
Regulatory Investigations Unit
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
Phone: 360.725.7259
Fax: 360.664.2782
JessicaB@oic.wa.goy

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

File #1593742 Exhibit #4Hiii Page 3 of 3

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 135 of 761 PageID 537

From: Bullington, Jessica (OIC)
To: Churchill, Harvey (OIC)

Subject: FW: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

**Date:** Monday, April 8, 2019 9:38:13 AM

Attachments: <u>image001.png</u>

image002.png

WAOIC member sample.xlsx



?

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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# **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Kathryn Berry [mailto:kberry@teladochealth.com]

**Sent:** Monday, April 1, 2019 6:32 AM

To: Bullington, Jessica (OIC) < Jessica B@oic.wa.gov>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

Dear Jessica

Please find Teladoc's responses below:

### 1. What was the gross monthly charge for the product?

The gross monthly charge received by Teladoc for the product was \$0.67 per member, per month of eligibility.

### 2. What was the gross charge for the term of the product?

See attached spreadsheet for each member. Note that for members marked "RTE" (Real

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 136 of 761 PageID 538

Time Eligibility) Teladoc does not have a record of the total charges for that member. Teladoc receives contemporaneous month to month eligibility files from HIH for these members.

- 3. Did TelaDoc receive the gross amount or the net amount after commission was retained?
  - a. If TelaDoc received the gross amount, how much commission was paid and who was the commission paid to?
  - b. If TelaDoc received the net amount, what was the net amount received by month and for the entire term?

Members paid \$10.00 to Teladoc when they registered to use the Teladoc platform. Upon receipt of that \$10 registration fee, that fee was paid to HIH.

4. What entity did TelaDoc receive the payments from?

Health Plan Intermediaries Holdings LLC.

Kind regards Kathryn

From: Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>

Sent: Thursday, March 21, 2019 1:28 PM

**To:** Kathryn Berry < <u>kberry@teladochealth.com</u>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

I will update the response date in our file to March 29, 2019. Thank you!





Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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#### **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

File #1593742 Exhibit #4li Page 2 of 7

**From:** Kathryn Berry [mailto:kberry@teladochealth.com]

**Sent:** Thursday, March 21, 2019 9:55 AM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>> **Cc:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

That would be much appreciated.

Kind regards Kathryn

From: Bullington, Jessica (OIC) < Jessica B@oic.wa.gov >

**Sent:** Thursday, March 21, 2019 12:51 PM **To:** Kathryn Berry < <a href="mailto:kberry@teladochealth.com">kberry@teladochealth.com</a> **Cc:** Churchill, Harvey (OIC) < <a href="mailto:harveyC@oic.wa.gov">harveyC@oic.wa.gov</a>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

### Of course, how about March 29, 2019?

# Jessica Bullington



Senior Investigator
Regulatory Investigations Unit
Legal Affairs Division
Washington State Office of the Insurance Commis

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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# **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Kathryn Berry [mailto:kberry@teladochealth.com]

**Sent:** Thursday, March 21, 2019 9:46 AM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

File #1593742 Exhibit #4Ii Page 3 of 7

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 138 of 761 PageID 540

Thanks Jessica. It may take us a little time to prepare this data.

Is it possible for us to have an extension of time to provide this information?

Many thanks, Kathryn

**From:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>

**Sent:** Wednesday, March 20, 2019 5:48 PM **To:** Kathryn Berry <a href="mailto:kberry@teladochealth.com">kberry@teladochealth.com</a>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

Ok, good to know. I have added the address for each consumer below. If I missed anyone, please let me know.

Arnold Garza	1017 South Division st Apt 20	Moses Lake WA 98837		
Brett Adams	9502 17th ave N.W.	Seattle WA		98117
Courtney Stearns	15610 208th Ave NE	Woodinville WA		98077
Gary Sommers	11501 Stone Ave N C124	Seattle WA 9		98133
James	3300 US-97	Peshastin WA 98847		98847
Reynoldson				
Jonathan Weed	4208 212th Avenue NE	Sammamish W		98074
Joshua	6809 49th Place NE	Marysville	WA	98270
Henderson				
Julie Sullivan	1812 5th Avenue West	Seattle WA		98119
Justin Scott	4619 NE 112th Ave apt J202	Vancouver WA		98682
Lucia Shaw	10330 NE French Lane	Bainbridge	WA	98110
		Island		
Michael Seitz	706 Briarwood Dr	East	WA	98802
		Wenatchee		
Michael Falk	14624 72nd St E #99	Sumner	WA	98390
Norma Rodriguez	13705 Grandview Lane	KENNEWICK	WA	99336
tiffany murphy	9307 S. Alaska St.	Tacoma	WA	98444
Wendy Fong	63 158th PI Ne	Bellevue	WA	98008
William Bryant	28011 Maple Ridge Way SE	Maple Valley	WA	98038
		•	•	•

# Jessica Bullington



Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259

File #1593742 Exhibit #4Ii Page 4 of 7

Fax: 360.664.2782 JessicaB@oic.wa.gov

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### **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

From: Kathryn Berry [mailto:kberry@teladochealth.com]

Sent: Wednesday, March 20, 2019 2:25 PM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

Dear Jessica

Those codes were not a match for our system. Perhaps they are associated with records kept by HPIH?

Kathryn

From: Bullington, Jessica (OIC) < <a href="mailto:JessicaB@oic.wa.gov">JessicaB@oic.wa.gov</a>>

**Sent:** Wednesday, March 20, 2019 5:08 PM **To:** Kathryn Berry < <u>kberry@teladochealth.com</u>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

### Ms. Berry:

The Teladoc reference or account number was also provided on the spreadsheet (e.g. TAT1234300 for Arnold Garza). Are you unable to find an exact match by referencing the name and Teladoc number?

# Jessica Bullington



Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the I

Washington State Office of the Insurance Commissioner PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

File #1593742 Exhibit #4Ii Page 5 of 7

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### **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Kathryn Berry [mailto:kberry@teladochealth.com]

Sent: Wednesday, March 20, 2019 7:29 AM

**To:** Bullington, Jessica (OIC) < <a href="mailto:JessicaB@oic.wa.gov">JessicaB@oic.wa.gov</a>>

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC- CONFIDENTIAL

Dear Jessica

I refer to your request for information from Teladoc Health, Inc dated February 28, 2019.

In order for us to provide you with the information you seek, we need some further information about the following members. Currently we have multiple name matches for these members. In order to narrow our search we require further data such as a date of birth or address. Feel free to send this information to us by encrypted email to protect the sensitive data.

Arnold Garza Mutliple matches Brett Adams Mutliple matches Courtney Stearns Mutliple matches Mutliple matches Gary Sommers James Reynoldson Mutliple matches Jonathan Weed Mutliple matches Joshua Henderson Mutliple matches Julie Sullivan Mutliple matches Justin Scott Mutliple matches Lucia Shaw Mutliple matches Michael Seitz Mutliple matches Michael Falk Mutliple matches Norma Rodriguez Mutliple matches Tiffany Murphy Mutliple matches Wendy Fong Mutliple matches William Bryant Mutliple matches

Kind regards, Kathryn

Kathryn Berry

Associate Director & Corporate Counsel Transactions and Compliance

File #1593742 Exhibit #4Ii Page 6 of 7

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 141 of 761 PageID 543

Teladoc Health, Inc.

0	(914)	)-294-	4097
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Teladoc, Inc. is now Teladoc Health, the global virtual care leader

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File #1593742 Exhibit #4li Page 7 of 7

# RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC



Sandy Price <SPrice@unifiedlife.com> 03/21/2019 at 03:19 PM

From: Sandy Price <SPrice@unifiedlife.com>

**Sent:** 03/21/2019 at 03:19 PM **To:** 'JessicaB@oic.wa.gov'

Cc:

② 2 Attachment(s) Total 4.3 MB View ^

WA OIC 1593742\_Unified Response.xlsx (4.0 MB) Download

☑ WA Sample Policy\_2413111AN.PDF (287.0 KB) Download

#### Mimecast Secure Message - Highly Sensitive Content

Maintain message security by replying via the Mimecast Secure Messaging web app, or selecting the 'Send Secure' option in Mimecast for Mac or Mimecast for Outlook.

Hello Jessica,

We appreciate this opportunity to review our files and address your concerns. Without waiving our rights and reserving our future defenses, Unified Life Insurance Company (Unified) has reviewed the requests and our findings and position are as follows:

Unified was the underwriter of certain Short Term Medical (STM) policies. National Congress of Employers (NCE), in most states, was the Group Policy Holder. The STM product in the State of Washington was an individual plan and not a group plan. Xchange Benefits was Unified's Managing General Underwriter (MGU) in the sale of the STM product and contracts with the third party administrators. Health Insurance Innovations (HII) is one of the third party administrators and is a program manager for those agents who are contracted through HII. Please note that Unified has permanently ceased all sales of the Short Term Medical plans as of December 30, 2016 and ended its relationship, for new business, with HII on November 1, 2017.

HII was responsible for completing the enrollment process, including collecting premium and association fees, if applicable. Again, for the State of Washington, the insureds may have signed up for the Association but the Policy was an individual Policy. HII collected the premium from the insured, then HII withheld the appropriate fees and then passed the premium to the NCE association (Group Policy Holder, in most states). NCE retained their appropriate fees and passed the premium to Exchange Benefits (XB), which is Unified's Managing General Underwriter. XB completed reporting requirements, retained their appropriate fees and passed the remaining premium and reporting to Unified.

File #1593742 Exhibit #4Ji Page 1 of 5

Please find attached a spreadsheet with the information requested. The 'gross' amounts listed (columns E, F, and H) are obtained through reports provided to Unified by XB. The 'net' amounts listed (columns J and K) are the premium amounts Unified received less the fees from XB, NCE and HII. Further, premium taxes and fees that are required to be paid by Unified are not deducted from the 'net' premium amounts listed on the spreadsheet.

Regarding question 3a, the total commission paid is reflected in column H, based on the reports provided by XB; however, Unified does not have the reports that identify how the commission was distributed by HII to the selling agent, the agency and any applicable up-line agency. Thus, column I remains blank.

HII will have a record of the Policy that was issued to the insured. I have attached a Washington STM sample Policy which reflects the terms and conditions of the Policy. This sample is for a Policy sold to an individual. The Policies sold to families or an individual plus child(ren) or plus spouse are the same policies with the only difference being the reference to the number of insureds. The variables (deductible, maximum out of pocket, etc.) for each insured are added to the Policy by HII based on the plan the insured purchased. In the attached spreadsheet, columns M through S outline what Unified's records indicate the variables should be in the Policy based on reports from XB.

Please let me know if you have any questions.

Best regards,

Sandy Price - Compliance Manager

7201 W. 129th Street, Suite 300

Overland Park, KS 66213

Direct: 913-871-7346

Fax: 913-871-7327

www.unifiedlife.com

From: Sandy Price

Sent: Monday, March 4, 2019 2:30 PM

To: 'JessicaB@oic.wa.gov' <JessicaB@oic.wa.gov>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Hello Jessica,

The Investigation that you sent on Thursday was forwarded to me for completion and we have begun gathering the information that you requested.

File #1593742 Exhibit #4Ji Page 2 of 5

I was hoping that I could speak to you for a few minutes to obtain clarification on a couple of items. I don't seem to have your contact information other than email. Would you mind calling me or letting me know when a good time would be to call you (Unified is in CST) and at what number?

I appreciate your help.

Best regards,

#### Sandy Price - Compliance Manager

7201 W. 129th Street, Suite 300

Overland Park, KS 66213

Direct: 913-871-7346

Fax: 913-871-7327

www.unifiedlife.com

From: Tim McConville

Sent: Thursday, February 28, 2019 7:18 PM
To: Kevin Dill < KDill@unifiedlife.com>
Cc: Sandy Price < SPrice@unifiedlife.com>

Subject: Fwd: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Washington's investigation of HII has resulted in the attached RFI for Unified. Our response is due March 22.

Tim McConville

Begin forwarded message:

From: "Bullington, Jessica (OIC)" <JessicaB@oic.wa.gov>

Date: February 28, 2019 at 6:20:04 PM CST

**To:** "jknobel@unifiedlife.com" <jknobel@unifiedlife.com>,

"TMcConville@unifiedlife.com" <TMcConville@unifiedlife.com>

Cc: "Churchill, Harvey (OIC)" <HarveyC@oic.wa.gov>

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

File #1593742 Exhibit #4Ji Page 3 of 5

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting information from Unified Life Insurance Company ("the Company"). Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

- 1. What was the gross monthly premium?
- 2. What was the gross premium for the term of the policy?
- 3. Did the Company receive the gross premium or the net premium after commission was retained?
  - a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?
  - b. If the Company received the net premium, what was the net premium received by month and for the entire term?
- 4. What entity did the Company receive the premium payments from?

Also, please provide a sample of all versions of the policy that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

Please provide your response as soon as possible and no later than <u>March 22</u>, <u>2019</u>. If you have any questions, my contact information is below and I would be happy to assist you.

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File #1593742 Exhibit #4Ji Page 4 of 5

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File #1593742 Exhibit #4Ji Page 5 of 5

#### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 147 of 761 PageID 549

 From:
 Churchill, Harvey (OIC)

 To:
 "dwilson@pram.com"

 Subject:
 FW: Ally Rx Program

**Date:** Monday, March 4, 2019 1:06:00 PM

Attachments: <u>image002.png</u>

image003.png

Ally RX Brochure V1 - 1-4-2014.pdf

Dave,

Thank you for all of your assistance.

As discussed, here is a copy of the brochure that identifies PRAM as an underwriter.

Harv





Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office) HarveyC@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Churchill, Harvey (OIC)

**Sent:** Thursday, February 28, 2019 4:11 PM **To:** 'Lisa Collier' <lcollier@pram.com>

Cc: Bullington, Jessica (OIC) <JessicaB@oic.wa.gov>

Subject: RE: Ally Rx Program

Lisa,

Thank you so much for your response.

I have attached one of at least two documents obtained during the course of our current investigation of a company, Health Plan Intermediaries Holdings, also known as Health Insurance Innovations. Although the pages are not numbered, what would be page 6 identifies Pram as the underwriter. I would be uncomfortable with releasing the second document at this time as this is an active investigation and its contents identify companies selling other products that we may wish to follow up on.

Would you be able to confirm if the former officer moved to Health Plan intermediaries Holdings? If so, his/her identity?

I want to thank you again for taking the time to speak with me. As we continue our investigation, either myself or Investigator Bullington may have occasion to follow up with you. I have taken he liberty to copy her on this email.

Again, thank you so much.

#### Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
<a href="mailto:HarveyC@oic.wa.gov">HarveyC@oic.wa.gov</a>



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From: Lisa Collier [mailto:lcollier@pram.com]

Sent: Thursday, February 28, 2019 3:48 PM

To: Churchill, Harvey (OIC) < Harvey C@oic.wa.gov>

**Cc:** David Wilson <a href="mailto:dwilson@pram.com">dwilson@pram.com</a>; Audrey Bridges <a href="mailto:abridges@pram.com">abridges@pram.com</a>; Charles L. Crouch III

<<u>clcrouch@earthlink.net</u>> **Subject:** Ally Rx Program

Dear Harvey,

As stated in our recent discussion with you via telephone, PRAM Insurance Services, Inc. has no affiliation with HII or its Ally Rx program. In addition, we do not know which insurance carrier underwrites the Ally Rx program.

As requested, if possible please provide us with a copy of the document which states PRAM Insurance Services is the underwriter for the Ally Rx program. We are gravely concerned that our name is listed in the document, as this is a misrepresentation and as the current situation demonstrates, could damage PRAM Insurance Services' reputation as well as place it at risk.

To be as helpful as possible, I have attached the brochure for the Ally Rx program, which I just found on the internet. Thankfully, I don't see PRAM's name on this document.

I think it may also make sense to share with you that a former officer of PRAM, with whom PRAM no longer has any affiliation, does sell this program.

Best Regards, Lisa

Lisa M. Collier, CEO
PRAM INSURANCE SERVICES, INC.
DIRECT: 714-672-6847 / CELL: 801-201-6901

CA LIC# 0812797 lcollier@pram.com – www.pram.com



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December 6, 2018

Harvey Churchill, CFE State of Washington Office of Commissioner Regulatory Investigations Unit 5000Capiol Blvd Turnwater, WA 98501

Re: OIC Case #:1593742

Correspondence Dated November 8, 2018

Dear Harvey;

Allow me to introduce myself. My name is Janis Rosenthal, Esq. and I am Regulatory Counsel at Health Plan Intermediaries Holdings, LLC ("HPIH"). We are in receipt of your correspondence dated November 8, 2018 and respond as set forth below.

**INITIAL REQUEST NO. 1**: Identify all doing business as ("dba") names used by HPIH.

RESPONSE TO INTIAL REQUEST NO.1: In the State of Washington, HPIH utilizes the following dba(s): AgileHealthInsurance, MyBenefitsKeeper and Health Insurance Innovations

**INITIAL REQUEST NO. 2**: Identify all subsidiaries of HPIH.

RESPONSE TO INITIAL REQUEST NO. 2: The subsidiaries of HPIH are as follows: American Services Insurance Agency, LLC ("ASIA") and HealthPocket, Inc. ("HP")

**INITIAL REQUEST NO. 3**: Identify all entities that have one or more common directors, officers, trustees or manager with HPIH.

RESPONSE TO INITIAL REQUEST NO.3: HPIH is a subsidiary of a public company. There are outside directors that make up the board. The outside directors of HPIH are affiliated with companies not in any way related to HPIH, such as Amalie Oil. However, the affiliated entities that have one or more common director, officer, trustee or manager with HPIH are as follows: ASIA, HP, Health Plan Intermediaries Sub, LLC ("HPIS") and Health Plan Intermediaries, LLC ("HPI"). Whereas ASIA and HP are wholly owned subsidiaries of HPIH that share officers and directors with HPIH, HPIS and HPI share a single director with HPIH, Michael Kosloske. HPIS and HPI do not share any officers or managers with HPIH.



Response to WA OIC OIC Case #:1593742 Dated November 8, 2018 Page -2-

**REQUEST NO. 1:** In the form of an Excel spreadsheet, a list of all Washington consumers who purchased insurance and/or non-insurance products and services from January 1, 2016 to present. The spreadsheet shall include the following data for each product, service, and charge:

- a. Name of the consumer ·
- b. Address
- c. Total amount paid by the consumer for all products, services, and charges from inception to present
- d. Product, service, or charge type
- e. Insurer or Entity that provided the product or service
- f. Policy or identification#
  g. Date of application
  h. Effective date

- i. Name of product or service
- j. Amount collected from the consumer specific to the product, service, or charge from
- k. Total premium amount, product cost, or fee from inception to present
- 1. Total amount sent to the Insurer or Entity, or an Administrator on behalf of the Insurer or Entity, from inception to present
- m. Name of Administrator if funds were not sent directly to the Insurer or Entity
- n. Identify all involved Producers and/or Marketing Entities
- o. Identify all involved Associations
- p. Amount retained by or on behalf of HPIH and its subsidiaries
- q. Amount paid to Producers
- r. Amount paid to Associations

RESPONSE TO REQUEST NO.1(a)-(r): A spreadsheet responsive to this request will be provided contemporaneously with this Response.

REQUEST NO. 2: A copy of all agreements between HPIH and each Insurer, Entity, Administrator, Producer, Marketing Entity, and Association named in the spreadsheet.

RESPONSE TO REQUEST NO. 2: Documents responsive to this request will be provided contemporaneously with this Response.

**REQUEST NO. 3**: A copy of all manuals, guidance, and written correspondence related to processes, procedures, and expectations specific to marketing and sales that HPIH supplies to the Producer(s) that interact with consumers.

15438 N Florida Ave Ste 201 Tampa, FL 33613 OFFICE 877.376.5831 FAX 877.376.5832 www.hiiquote.com

File #1593742 Exhibit #5A Page 2 of 9



Response to WA OIC OIC Case #:1593742 Dated November 8, 2018 Page -3-

RESPONSE TO REQUEST NO. 3: Documents responsive to this request will be provided contemporaneously with this Response.

**REQUEST NO. 4**: A copy of all marketing scripts created by or on behalf of HPIH and used from January 1, 2016 to present.

RESPONSE TO REQUEST NO. 4: Documents responsive to this request will be provided contemporaneously with this Response.

Please do not hesitate to contact me via email at jrosenthal@hiiquote.com or call me via my direct line at (813) 200-8000. I look forward to working with you to resolve any questions you have.

Respectfully,

Janis Rosenthal, Esq. Regulatory Counsel for Health Plan Intermediaries Holdings, Inc.

#### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 153 of 761 PageID 555



111 South Wacker Drive Suite 4100 Chicago, IL 60606 Telephone: 312-443-0700 Fax: 312-443-0336 www.lockelord.com

Timothy Farber Direct Telephone: 312-443-0532 Direct Fax: 312-896-6552 tfarber@lockelord.com

March 29, 2019

#### **VIA EMAIL**

Jessica Bullington Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner Insurance Building, Capitol Campus 302 Sid Snyder Avenue SW, Suite 200 Olympia, WA 98504-0255

> Re: Health Plan Intermediaries Holdings, LLC Response to Information Request-Case #1593742

Dear Ms. Bullington:

On behalf of Health Plan Intermediaries Holdings, LLC, below and in a separately provided box.com link please find confidential responses to your February 27, 2019 information request in the above-mentioned matter.

REQUEST 1: Please provide the complete file for each consumer named in the attached spreadsheet. The complete file shall include, but is not limited to, copies of:

- All policies, contracts and agreements for both insurance and non-insurance products and services
- b. All application documents for products, services and insurance
- c. All transaction logs and/or activity notes
- d. All incoming and outgoing correspondence including letters and emails
- e. All audio recordings
- f. All billing information

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami Morristown | New Orleans | New York | Providence | Sacramento | San Francisco | Stamford | Washington DC | West Palm Beach Ms. Jessica Bullington March 29, 2019 Page 2

RESPONSE TO REQUEST 1: Documents responsive to this Request 1(a-f) are being provided contemporaneously with this Response in the box.com link provided in a separate email.

REQUEST 2: Please provide a full accounting of funds for each consumer named in the attached spreadsheet. The full accounting shall include:

- a. A breakdown of all payments received for the consumer's account which shall include the following for each payment received:
  - i. The date of payment
  - ii. The amount of payment
  - iii. The reason for payment
  - iv. The source of the payment (if other than the consumer)
- b. A breakdown of all disbursements related to the consumer's account which shall include the following for each disbursement:
  - i. The date of disbursement
  - ii. The amount of disbursement
  - iii. The entity or individual that received the funds
  - iv. The reason for the disbursement
  - v. The source of the disbursement (if other than the funds paid by the consumer)
- c. A breakdown of all funds related to the consumer's account which were retained by HPIH. The breakdown shall include the following for each retained payment:
  - i. The date the funds were retained
  - ii. The amount of the retained funds
  - iii. The reason for the retained funds
  - iv. The source for the retained funds (if other than the funds paid by the consumer)

RESPONSE TO REQUEST 2 (a)(i-iv), (b)(i-v), (c)(i-iv): Documents/spreadsheets responsive to these Requests 2 (a) (i-iv), (b)(i-v), (c)(i-iv) are being provided contemporaneously with this Response in the box.com link provided in a separate email.

Ms. Jessica Bullington March 29, 2019 Page 3

Thank you for your consideration in this matter. If you require any additional information please contact the undersigned by email at tfarber@lockelord.com or by phone at (312) 443-0532.

Very truly yours,

LOCKE LORD LLP

Tim Faster

Tim Farber

Enclosure

CC: Harvey Churchill, CFE, Senior Investigator, OIC Dan Garavuso, Vice President of Compliance, Health Plan Intermediaries Holdings, LLC ("HPIH") Janis Rosenthal, Esq., Regulatory Counsel, VP Legal Affairs, HPIH

#### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 156 of 761 PageID 558



111 South Wacker Drive Suite 4100 Chicago, IL 60606 Telephone: 312-443-0700 Fax: 312-443-0336 www.lockelord.com

Timothy Farber Direct Telephone: 312-443-0532 Direct Fax: 312-896-6552 tfarber@lockelord.com

May 15, 2019

#### **VIA EMAIL**

Jessica Bullington Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner Insurance Building, Capitol Campus 302 Sid Snyder Avenue SW, Suite 200 Olympia, WA 98504-0255

> Health Plan Intermediaries Holdings, LLC Response to April 24, 2019 Follow-Up Information Request-Case #1593742

Dear Ms. Bullington:

On behalf of Health Plan Intermediaries Holdings, LLC ("HIIQ") below and in a separately provided box.com link please find confidential responses to your April 24, 2019 follow-up information request in the above-mentioned matter.

The spreadsheet that was located in the 2abc folder contains data related to payments received through November 28, 2018, disbursements through November 13, 2018, and retained funds through November 5, 2018. However, the data should be provided for all payments received, disbursements made, and funds retained through March 29, 2019, the date of HPIH's response to the OIC.

Response: Please see the enclosed MS Excel spreadsheet in the box.com site entitled "Copy of WA OIC Report" that has been updated through March 2019 as requested.

Documentation to show that the consumer was given a breakdown of the initial and reoccurring monthly cost. The documentation should identify what was purchased and the cost associated with each item.

Response: The folder denoted OIC request has each member broken down with either the EchoSign (now named Adobe Sign) verification (denoting charges billed to member) or a screenshot of the plan information breakdown available to each member via their

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami Morristown | New Orleans | New York | Providence | Sacramento | San Francisco | Stamford | Washington DC | West Palm Beach Ms. Jessica Bullington May 15, 2019 Page 2

"member back office." This back office is immediately available to any member that purchases a policy and stays available in perpetuity to such member (24 hours a day, seven days a week access). The majority of members (approximately 80 percent) do enroll in the EchoSign process, and regardless of the method of enrollment all have access to the plan and cost information.

Documentation which shows full disclosure to the consumer of producer compensation. Full disclosure includes disclosure of all fees paid by the insured and all commissions payable by an insurer.

Response: HIIQ is a cloud-based technology platform that provides agents with the tools they need to sell affordable health insurance products to their consumers. HIIQ through this platform connects insurance carriers with licensed insurance agents and distributors to provide their consumers with access to carrier products. HIIQ provides consolidated billing and customer service to clients of insurance agents. HIIQ is not the independent agent and/or carrier that discloses the fees and commissions paid by the insured.

Please see the attached chart as Appendix A regarding the role of HIIQ in the process. HIIQ is constantly striving to enhance its capabilities in order to remain the leader in the industry while serving as an example of compliance in the insurance industry.

Thank you for your consideration in this matter. If you require any additional information please contact the undersigned by email at tfarber@lockelord.com or by phone at (312) 443-0532.

Very truly yours,

LOCKE LORD LLP

Tim Faster

Tim Farber

**Enclosure** 

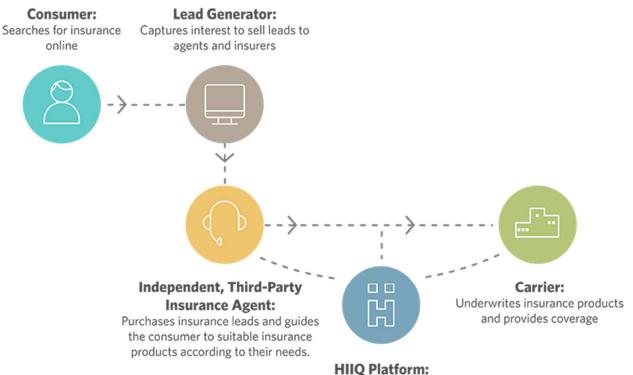
CC: Harvey Churchill, CFE, Senior Investigator, OIC

Dan Garavuso, Vice President of Compliance, Health Plan Intermediaries Holdings, LLC ("HPIH")

Janis Rosenthal, Esq., Regulatory Counsel, VP Legal Affairs, HPIH

File #1593742 Exhibit #5A Page 8 of 9 Ms. Jessica Bullington May 15, 2019 Page 3

#### Appendix A



## Connects independent agents to

carrier products; provides billing and customer service



Premier STM

Member Name

Insured Spouse: Jonna Harlan

Rodrick Harlan

Dependent(s):

Member 10

100386540

Effective Date: 12-31-2016

Term Date: 09-30-2017

Copay: \$15 Primary Care / \$25 Specialist

Case #1593742

Exhibit #5C



#### Send Claims to

Allied National - GlobalCare Box 247 Alpharetta, GA 30009-0247 EDI Payor ID: 07689

Provider 1-866-323-2985

Benefit & Claims Services 1-844-228-3220 MultiPlan Complementary Network

Network Access
MultiPlan Complementary Network
multiplan.com

## HEALTH

B S | INNOVATIONS

Related Questions

Health Insurance Innovations
hispotecustomers.com
1-877-376-5831

HII Customer Service Department has
language assistance services

Case #1593742 Exhibit #5C Page 2 of 19



Health Insurance Innovations 218 Bearss Ave, Suite 325 Tampa, FL 33613 P877-376-5831 F877-376-5832

## **Plan Documents Receipt Form**

☑I hereby acknowledge receipt	of Premier STM
Member ID #100386540	<b>Fulfillment Documents containing</b>
all of the required forms, ID Card	ds and an explanation of my
benefits and or insurance covera	age.

	eSignature: Rodrick Harlan	Date: 06-25-2017
--	----------------------------	------------------

Case #1593742 Exhibit #5C Page 3 of 19





# Discount Benefit Program Member Handbook

In addition to your Short Term Medical Benefits, NCE Membership contains value discount benefits.

31815

THIS PROGRAM IS NOT INSURANCE.
IT IS A DISCOUNT PROGRAM.

Case #1593742 Exhibit #5C

Page 4 of 19

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## Welcome! Your Partners for health care savings

NCE's GapAfford Plus program is a great way for individuals and families to save money on out-of-pocket medical expenses, whether or not they have health insurance.

Your savings start from the first dollar, with no limits. Our cost savings program gives employees/members access to the same pre-negotiated lowered rates similar to what insurance companies receive.

## The GapAfford Program is ideal for people:

- · With High Deductible health insurance plans
- · With no health insurance
- Who are under-insured
- Who cannot get health insurance due to preexisting conditions
- Whose plans don't cover, or cap benefits on, certain procedures
- · Who are in their eligibility waiting period
- Who are on COBRA

Everyone is approved! No medical exam required!

## Commonly Asked Questions Who is included under a household program? All members of the household are included,

regardless of age, including students away at college.

#### Is this an insurance plan?

No. The program is a reduced fee-for-service program. It is not insurance.



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

#### There are no:

- Deductibles:
- · Pre-existing condition limitations
- Medical exams
- Claim forms.
- Limitation on usage.
- Age restrictions

## I have insurance; can I still enroll in the program?

Yes. You may enroll in the program as long as the provider will accept both. You should consult your participating provider prior to beginning the treatment in order to verify that they can coordinate the two and provide you with additional savings.

This is not insurance. This program does not meet the requirements of the PPACA. You must pay for services at the time they are rendered. If you use a participating dentist, you will receive a discount. Neither GapAfford Plus, Aetna, NBBI or the DMPO will pay for any services received. You may contact the Discount Medical Plan Organization at AccessOne Consumer Health, Inc. 84 Villa Rd. Greenville SC 29615 www.accessonedmpo.com. This program is not available in Alaska, Connecticut, Delaware, Montana, Rhode Island, Utah, Vermont and Washington.

## Dental

This program is not available in Alaska, Connecticut, Delaware, Montana, Rhode Island, Utah, Vermont and Washington,



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

## Utilizing The Aetna Dental Access® Network

As a member of the GapAfford Plus program, you and your family have access to a national network of over 132,000 available dental practice locations through one of the largest dental discount networks in America, the Aetna Dental Access® Network. Participating dental locations provide savings that range from 15-50% per visit, on average, on dental services including cleanings, x-rays, fillings, root canals, crowns, bridges and orthodontia.

#### Advantages of this discount program:

- No waiting periods and no age restrictions
- No pre-existing condition exclusions <sup>1</sup>
- No benefit maximum
- · No paperwork hassles or claim forms to file
- · Cosmetic dentistry included
- · Orthodontia always included
- Can be use in addition to dental insurance or enhance existing dental insurance
- Vision discounts included

#### Sample dental care savings

Procedure	Select regional average cost by Aetna® 2	Average cost with Dentachoice	Your total savings
Adult Cleaning	\$107	\$59	\$48
Child Cleaning	\$77	\$42	\$35
Periodic Oral Exam	\$56	\$30	\$26
Four Bitewing X-rays	\$68	\$36	\$32
Composite White Filling Single Surface	\$170	\$90	\$80
Crown Porcelain Fused to High Noble Metal	\$1,167	\$757	\$410
Complete Upper Denture	\$1,190	\$901	\$289
Molar Root Canal Excluding Final Restoration	\$1,085	\$746	\$339
Extraction Single Tooth	\$184	\$83	\$101
Comprehensive Ortho Treatment - Adolescent	\$5,546	\$3,508	\$2,038

Disclaimer: Prices can change without notice. <sup>2</sup>Actual costs and savings vary by provider and geographic area.

The Dentachoice Dental and Vision Program provides access to the Aetna Dental Access® network. This network is offered by Aetna Life Insurance Company (ALIC). Neither ALIC nor any of its affiliates offers or administers the Dentachoice Dental and Vision Program. Neither ALIC nor any of its affiliates is an affiliate, agent, representative or employee of National Benefit Builders, Inc. (NBBI). Dental providers are independent contractors and not employees or agents of ALIC or its affiliates. ALIC does not provide dental care or treatment and is not responsible for outcomes.

<sup>&</sup>lt;sup>1</sup>Except work already in progress

This program is not available in Alaska, Connecticut, Delaware, Montana, Rhode Island, Ulah, Vermont and Washington.

### Vision

The OUTLOOK Vision network has contracted with over 10,000 eye care locations nationwide. The OUTLOOK Vision provider panel includes ophthalmologists, optometrists, independent optical centers and national chain locations.

#### The vision program provides:

- Savings of 10% to 50% on most prescription eyeglasses, frames, and lenses, through a national network of over 10,000 independent and chain vision optical centers.
- Savings on contact lenses (excluding disposibles) at participating retail locations.
- 10% to 30% discounts on medical eye exams and surgical procedures, such as PRK and LASIK (where available and approved).



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

#### Sample vision care savings

Location	ltem	Retall 5	Member price 5	Savings - %
Exact Eye Care Kearney, NE	Frame Single Vision w/ Polycarbonate	\$129.00 \$297.00	\$90.30 \$207.90	\$38.70 - 30% \$89.10 - 30%
LensCrafters Mesa, AZ	Frame Single Vision w/ Photo Flextint	\$149.95 \$225.00	\$104.96 \$157.58	\$44.99 – 30% \$67.50 – 30%
JC Penney Michigan	Frame Single Vision w/ Polycarbonate & AR Contact Lenses	\$229.95 \$208.00 \$90.00	\$149.47 \$100.00 \$72.00	\$79.98 - 35% \$108.00 - 52% \$18.00 - 20%
Pearle Vision National City, CA	Frame Single Vision w/ Scratch Coat	\$59.95 \$109.00	\$30.00 \$55.00	\$29.95 50% \$54.00 50%
EyeMaster Henderson, NV	Frame Single Vision w/ Polycarbonate	\$99.95 <b>\$14</b> 9.98	\$69.96 \$104.99	\$29.99 – 30% \$44.99 – 30%

Disclaimer: Prices can change without notice. <sup>5</sup>Actual costs and savings vary by provider and geographic area.

#### Some participating vision care providers

Pearle Vision
Sears Optical
J.C. Penney Optical
Target Optical
Lenscrafters
Sterling Optical
Vista Optical
Eyeglasses.com

TLC Laser Vision Centers Visionworks Bard Optical Budget Opticals of America Cohen's Fashion Optical

Cohen's Fashion Optical Clear Vision Laser Centers Doctors Valuvision Duling Optical Empire Vision
Eye DRX
Eyes Elect Vision Cont

Eyes First Vision Center EyeMasters H. Rubin Hour Eyes Ideal Optical Shopko Nationwide Vision Center Site for Sore Eyes Stein's Optical Texas State Optical Thomas Opticians Uhlemann Optical Vision World

In addition to these chains, there are thousands of vision centers that participate in our program.

## **Pharmacy**



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

#### Highlights

- Card is pre-activated and never expires.
   Use the card immediately.
- Covers entire household, with no exclusions.
- Personal information is never collected from the card user.

Save an average of 55% on generic drugs and 15% on brand-name drugs at over 80% of pharmacies in the country.

- Use our free ADC discount Rx card and save an average of 15% on brand-name and 55% on generic medications at participating pharmacies.
- All FDA approved drugs are discounted with the card. Even lifestyle drugs can be obtained at greatly reduced rates.
- The pharmacy network is national in scope.
- Cards can be used for all family members.
   There is no limit on the number of prescriptions filled.
- No forms to fill out. You do not have to activate the card.
- · The card can be used over and over.

Simply present your member ID card to the pharmacist, along with your prescription to receive the discounts.

For information on how to access the discount prescription mail-order program, please call: 855-287-2728.

Over 80% of all pharmacies in the US and its territories accept the free ADC discount prescription card, including:











WAL\*MART





Walgreens

CVS/pharmacy

and many more!

#### **USA Pet Meds**

About 50% of the medications prescribed by your vet are actually the same medications prescribed to people, only in different dosages. You can fill these prescriptions at your neighborhood pharmacy.

#### **How It Works**

Present the **free** USA Pet Meds discount drug card along with your pet's prescription to receive a discount.

- · The card is pre-activated and never expires.
- · Use it over and over.
- The card can be used for all household pets and livestock animals.

We have even made arrangements with a US FDA-approved specialty, mail-order pharmacy to fill those special medications and compounds not available at your local pharmacy. Ask your vet for a written prescription when drugs for your pet are required. Call 1-855-MY-PET-RX (855-697-3879) and mention the ID number listed on the card.

USA Pet Meds discount drug cards are accepted at over 80% of pharmacies nationwide!











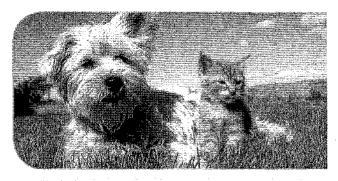












Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

#### Highlights

- No waiting periods
- Every pet qualifies
- Card is pre-activated
- No sign-up or personal info required.
- Card never expires
- Average prescription savings:55% on Generic

15% on Brand-Name



Save an average of 16% on brand name

To price all pet medications and to find local phermecies, visit:

www.USAPetMeds.com/pet



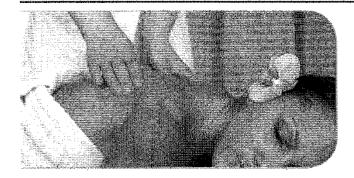
ID: 820195151

Rx Sin: 610709 Rx Grp: USAP260

Rx Pont 7777

This is Not insurance. Pharmacist help desk: 844-728-3791

## **Alternative Medicine**



Save an average of 25% at over 8,000 trained, qualified, and fully credentialed providers nationwide including acupuncture, massage and other integrated wellness therapies.

Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

## Physical Therapy & Rehabilitation



Save an average of 20% at over 1,200 offices with 4,000 rehabilitation and physical therapy providers in 23 states.

Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

## **Hearing Savings Program**



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

Save 20% to 50% off Manufacturers Suggested Retail Pricing.

Receive customized care and, if needed, purchase brand-name hearing aids at substantial savings.

A referral will be coordinated with a provider best suited to your needs including assistance to schedule an appointment or provide all the information you will need to call at your convenience.

## **Imaging Savings Program**

Our network providers can save members an average of 60% off of the usual cost for advanced radiology testing, such as Magnetic Resonance Imaging (MRI) and Computed Tomography (CT) scans.

- Priority appointment scheduling
- Unique scheduling services to assist members with selection and scheduling of appointments
- Coast-to-coast call centers operating 8:00am-8:30pm EST, with multilingual staff
- Significant savings compared to traditional PPO fee schedules (an average of 60% savings)
- Quality care and service at no additional costs



Customer Service: 877-376-5831

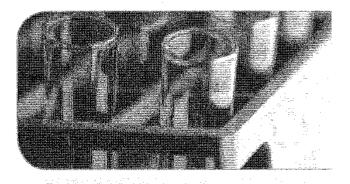
To access your program and to locate providers, go to: www.NceGapAfford.com

This program is not provided by AccessOne DMPO.

## **Laboratory Savings Program**

The Laboratory Savings Program offers services offer an efficient, affordable, and confidential solution to medical laboratory testing. Members are able to browse a wide array of medical laboratory tests, become informed on both the tests and diseases, and have the ability to purchase the medical lab test directly on the website. MyMedLab's online solution is centralized around the PHR (Personal Health Record) system and allows the member to see specific test results and monitor their overall health.

Not available in NY, NJ or RI.



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

## **Medical Bill Negotiations**

This program is not provided by AccessOne DMPO.

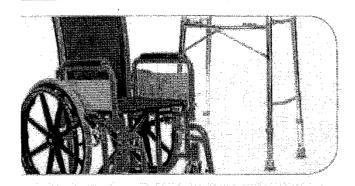


Members can save on their existing medical bills. Patient advocates work on your behalf to protect your interests and save you money. No minimum bill requirement. However, there is a percentage of savings fee to negotiate your claim.

Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

## Medical Supplies & Equipment



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

Save from 20% to 50% off your medical supply needs. Items include a broad selection of ambulatory aids and bathroom safety items such as wheelchairs, scooters, hospital beds, and much more.

## **Chiropractic Savings Program**

This program offers a free initial consultation, up to 50% savings on diagnostic services and x-rays (if necessary), and unlimited treatments at up to 30% savings from a national network of over 12,000 chiropractors.



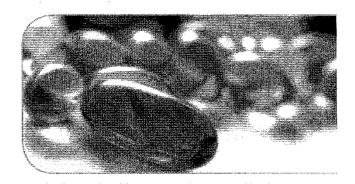
Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

This program is not provided by AccessOne DMPO.

## Vitamins & Supplements

Members can save up to 75% off retail pricing on a huge selection of natural products including vitamins, supplements, and more.

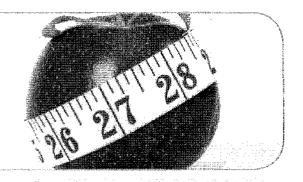


Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

## 24/7 Health Information Line

This program is not provided by AccessOne DMPO.



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

The Health Information Line provides you with access to a comprehensive library of health information that is available to you over the phone or online.

## 24/7 Nurse Help Line

This program is not provided by AccessOne DMPO.



Customer Service: 877-376-5831

To access your program and to locate providers, go to: www.NceGapAfford.com

Have 24/7 access to a registered nurse (RN) to answer questions on family health issues. Services in over 100 languages are included with medical information assistance.

## **Health Discount Program Member Agreement**

As a member of GapAfford Plus you are a participant in a Discount Medical Plan Organization provided by AccessOne Consumer Health, Inc. Below are the terms and conditions of your participation. This agreement is between you and AccessOne.

The effective date of your enrollment is shown on the Member ID and shall continue from month to month until AccessOne is notified of your cancellation.

#### **DISCLOSURES:**

- The plan is not insurance;
- The plan provides discounts at certain healthcare providers for medical services;
- The plan does not make payments directly to the providers of medical services;
- The plan member is obligated to pay for all healthcare services but will receive a discount from healthcare providers who have contracted with the discount plan organization;
- The name and address of the licensed discount medical plan organization: AccessOne Consumer Health, Inc., 84 Villa Road, Greenville, SC 29615; 800-896-1962; www.accessonedmpo.com. You may find a list of participating providers at: www. NceGapAfford.com or you may call: 877-376-5831. You will be able to apply plan discounts to all participating providers of each participating network.

You will receive discounts at participating chiropractors, medical equipment & supplies, rehabilitation services & diagnostic imaging centers ranging from 5% to 40%, prepaid Labs discounts of 5% to 70%, hearing services discounts of 5% to 20% and participating pharmacies provide discounts of 5% to 40%.

The discounts for participating dentists range from 5-50% off standard billed charges and average 20%. The vision services (including lenses and frames) are available at participating providers at discounts of 5% to 50% with an average of 25%.

The Member Agreement (GAPMPA-P/0211), Member Guide (GAPGUIDE-P/0612x) and Member ID Card (GAPID-P/0211) represent the entire Agreement between you and GapAfford and AccessOne Consumer Health, Inc.

You will be billed at the time services are provided by the participating provider who will apply the applicable discounts to that bill. In no instance can GapAfford or AccessOne make payments directly to a provider on your behalf. Your participation in the plan will continue from month to month upon payment of your monthly dues and shall cease upon (i) your failure to make the monthly payment; or (ii) notification in writing (USPS, email or facsimile) of your desire to cancel.

You may cancel your membership in the discount medical plan organization within thirty (30) days after the effective date of your participation or receipt of your ID card, whichever is later, and receive a full refund less a minimal processing fee if applicable. After the first thirty (30) days, you may cancel participation at any time and if you have pre-paid any membership fees, the prepayment will be refunded on a pro-rata basis for the unused months. Notification must be received at least five (5) business days in advance of the next billing cycle for you not to be charged for that billing cycle.

Participation in the program may be terminated if you fail to make a payment when due.

This plan includes you and your dependent children at no charge. You are not required to list your dependents to participate in the plan. You may add children by calling AccessOne at 800-896-1962

If you have a complaint regarding the plan you may go to:

www.accessonedmpo.com or call 800-896-1962. You may also write to AccessOne Consumer Health, Inc. 84 Villa Rd. Greenville, SC 29615. The complaint will be addressed and you will receive a response within 15 days.

THIS PLAN IS NOT INSURANCE and is not intended to replace health insurance. This plan does not meet the minimum creditable coverage requirements under M.G.L. c.111M and 956 CMR 5.00. This plan is not a Qualified Health Plan under the Affordable Care Act. This is not a Medicare prescription drug plan.

This Agreement and its Benefit Descriptions represent the entire agreement between you, GapAfford and AccessOne Consumer Health, Inc. and supersedes all other prior representations, statements, or written agreements between you and GapAfford or AccessOne. Neither GapAfford nor AccessOne Consumer Health, Inc. has liability for providing or guaranteeing service or any liability for the quality of services rendered.

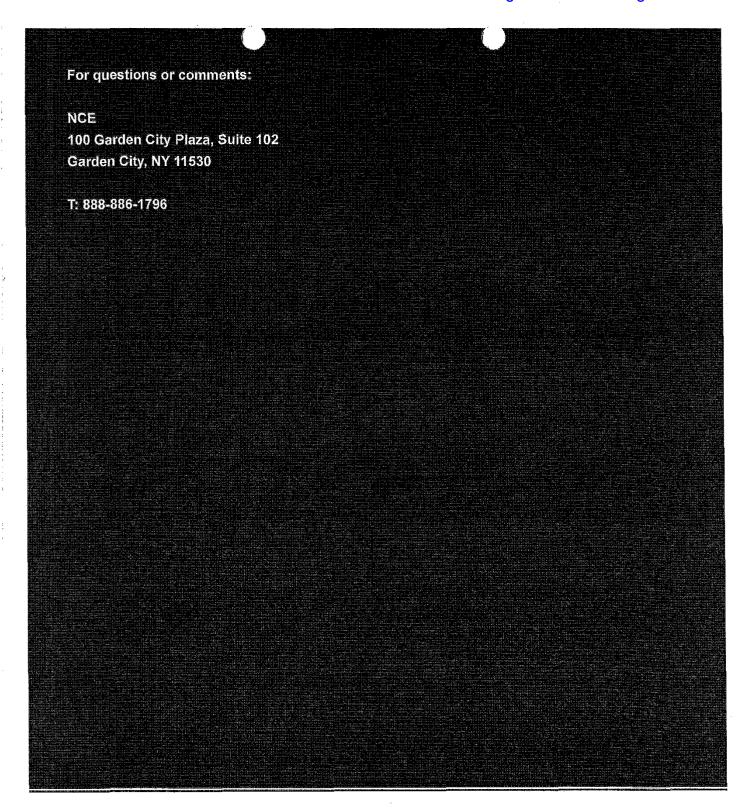
Note: Keep a copy of the Member Agreement for your records.

Notes				
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THIS PROGRAM IS NOT INSURANCE. IT IS A DISCOUNT PROGRAM.

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THIS PROGRAM IS NOT INSURANCE. IT IS A DISCOUNT PROGRAM.



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Exhibit #5C

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#### HealtheMed STM

Short term medical pays benefits like a major medical insurance plan, but for a predetermined length of time. These affordable plans have a wide range of deductibles to fit your lifestyle needs and budget.



This short term major medical policy is nonrenewable. This policy has exclusions such as preexisting conditions and does not provide all coverage as provided for by the Patient Protection and Affordable Care Act.

Short Term Medical Lifestyle Benefit Package

out Benefits First Health luct Details Network

Limitations Exclusion Definitions

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Rx-Card

The below benefits are not associated with HCC Short-Term Medical insurance plan.



HealtheMed Short-Term Medical Includes the following non-insurance discounts and benefits at no additional cost!

#### ScripPal Discount Prescription Discount Card: \*

Medications cost too much. And if you or a family member have asthma, diabetes, heart disease or another illness, costs can quickly skyrocket and make it hard to make ends meet. We believe that peace of mind shouldn't cost an arm and a leg. Save an average of 46%, with potential savings of up to 75%\*\*. This card can be used for your entire family, including pets.

Save at more than 60,000 pharmacles nationwide, including Walmart, Target, Walgreens and more. Discounts are at the register. Because this is not insurance, there are no forms to fill and there is no wondering or waiting for reimbursements.

Please click here to access information on available drugs and pharmacies

\*Important Disclaimer: These are not insurance benefits. These are discount services and are not affiliated with HCC Life Insurance Company or the HealtheMed Short-Term Plan.

\*\*ScripPal Discount Rx Disclaimer: DISCOUNT ONLY - NOT INSURANCE. Discounts are available exclusively through participating pharmacies and providers. The range of the discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. You may cancel your registration at any time or file a complaint by contacting Customer Care. This program is administered by Medical Security Card Company, ILC of Tucson, AZ, Based on 2013 national program savings data.

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## **Start Saving up to 80%**



## Welcome

Lower your family's healthcare costs. **Your Prescription Savings Card** can provide instant savings at the pharmacy register on brand-name and generic prescription medications for you and your entire household — even pets.

Savings average 54% per prescription with potential savings of up to 80%!\*

Use the drug pricing tool to quickly find your lowest price at the right pharmacy.

All prescription drugs are eligible for savings and the card is accepted at over 62,000 pharmacies nationwide. Use your Prescription Savings Card for any prescriptions not covered by insurance. Simply present your card at a participating pharmacy. It's that easy.

Additional advantages include:

- No enrollment fees
- No limits on usage
- No income or age restrictions

Home - ScripPal Page 2 of 3

- Accepted at over 62,000 pharmacies nationwide
- All prescription drugs are eligible for savings

Use your Prescription Savings Card to get discounts on prescriptions for the entire family today.

\*(based on 2017 national program savings data)

Get Your Savings Card

## Get Your Savings Card

### **Prescription Savings**

#### **Start Here**

<b>Group Number</b> 24453	
Address, City, and State or Zip	
Drug Name Generic or Brand	2. * 4.4
e supply spranding to the state of the state	

#### See the Savings

Prescription prices may vary from pharmacy to pharmacy and are subject to change. The pricing estimates given are based on the

Home - ScripPal Page 3 of 3

most recent information available and may change based on when you actually fill your prescription at the pharmacy,

DISCOUNT ONLY - NOT INSURANCE. Discounts are available exclusively through participating pharmacies. The range of the discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. You may cancel your registration at any time or file a complaint by contacting Customer Care. This program is administered by Medical Security Card Company, LLC of Tucson, AZ.

The day supply is based upon the average dispensing patterns or the specific drug and strength. The Program, as well as the prices and the list of covered drugs, can be modified at any time without notice.

© ScriptSave 2017-2018 | Administered by Medical Security Card Company, LLC | Privacy Policy / Terms & Conditions
(/web/guest/termsofuse)

Case #1593742 Exhibit #5D https://rxsavings.medimpact.com/web/scrip



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# Alliance for Consumers USA, Inc. (ACUSA) is constantly helping its Members by procuring savings on products and services, providing the most current health and financial information and education, and securing affordable benefits.

Alliance for Consumers USA, Inc. is an independent Association, and is not controlled by, or directly affiliated with, any Insurance Carrier. ACUSA is constantly helping its Members by procuring savings on products and services, providing the most current health and financial information and education, and securing affordable benefits. ACUSA is focused on providing benefits and services to its members that address the needs of the consumer and enhance their quality of life.

#### **Fitness Benefit**

Enjoy 10%-50% off Membership Dues at Over 1,500 Locations Nationwide! Month to month memberships at top area fitness centers\* The Fitness Program includes many franchises of Gold's Gym, Bally's Fitness, Curves for Women and other chains as well as independent fitness clubs.

#### How to access this program

- 1. Call 1-800-294-1500 or log in at www.globalfit.com.
- **2.** Select a facility near you. Call the-toll free number above to enroll at any participating location or log on to www.globalfit.com and click Patriot Health. Programs are only available at time of enrollment by calling the number above or by accessing the Globalfit website.
- 3. Your fitness club member card will be sent directly to you by mail.

#### **Diabetic Supplies**

A convenient service for members with diabetes. This program provides special member pricing on most diabetic supplies. These items include: test strips, glucose meters, lancing devices, lancets, and MORFI

#### How to access this program

- **1.** Call 1-888-239-3735 and mention the word PATRIOT when placing your order.
- **2.** You can also visit www.cheapdiabetesmedicalsupply.com enter the word PATRIOT when you place your order and receive an additional 10% off your purchase.

#### Member eShop (Online Shopping Mall)

Shop at your favorite stores, earn points and save money! Receive up to 20% in rebates and 60% in discounts.

#### How to access this benefit

Visit www.membereshop.com and click on "Join Now". Enter your information and start shopping!

#### **Tradesman Referral**

Get matched to pre-screened home improvement contractors who are reviewed by ServiceMagic's 10 point contractor screening process. \$1,000 service guarantee! Get matched with maids, plumbers, electricians, handymen, painters and much more!

How to access this benefit

Simply visit www.ServiceMagic.com/ext/2378628 or call 1-866-849-1118 to access this benefit.

#### **Mortgage Savings Program**

Members Receive

20% rebates on real estate commission each time they buy and/or sell a home. 20% reduction in lender fees when they close their loan with.

PrimeLending, A PlainsCapital Company.

Discounts on Van Line/Moving Services.

Competitive quote on Home and Automobile through Liberty Mutual. Home Warranties available through Home Warrantech.

#### How to access this benefit

- $\begin{tabular}{l} \textbf{1.} Visit\ www. Patriot Home Savings. com\ to\ begin\ the\ eligibility/registration\ process. \end{tabular}$
- 2. Call 1-866-499-3029 for assistance.

Rebate / Incentive figures are based on a minimum 3% commission paid to the Real Estate Broker representing the participant with the transaction. This program cannot be combined with any other real estate rebate, discount or incentive programs. Figures may vary in different parts of the country.

#### **Magazine Subscription Savings**

Enjoy the convenience and savings of a magazine delivered to your home! Receive 30% off most magazines.

#### How to access this benefit

- **1.** Website: Visit www.magazinepromotion.com/index. php?affid=uhpoa and use code uhpoa30.
- **2.** Over-the-Phone: Call 1-888-ALL-MAGS and mention code using code uhpoa30.

#### **Gift Basket Savings**

#### How to access this benefit

Simply visit www.gifttree.com and enter promo code PATRIOT10 or go directly to www.gifttree.com/?key=PATRIOT10.

#### **Floral Savings**

#### How to access this benefit

- **1.** 1-800-Flowers: 15% discount on all orders! Just go to www.1800Flowers.com or call 1-888-755-7474 and mention code PATRIOT10. If you have questions or concerns call VIP Services 1-888-227-7115 or email VIPteam@1800Flowers.com
- **2.** FTD: 15% off all orders! Just go to www.ftd.com/membersonly or call 1-800-SEND-FTD and mention using member code 10835.
- **3.** BloomsToday: Call 1-888-399-1700 using member code "dividend" or visit www.bloomstoday.com.

THESE ARE NON-INSURANCE BENEFITS. Terms and Conditions may apply.

<sup>\*\$10</sup> administrative fee may apply upon cancellation

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#### **ACUSA Member Terms and Conditions**

This Agreement is between the Member and Alliance for Consumers USA, Inc. (ACUSA Association). Members must remain in good standing with the Association to be eligible for benefits. As authorized at the time of your application, your monthly payments shall be paid through an automatic draft of a checking or savings account by an ACH transaction or through an automatic debit transaction to a credit card. By agreeing to make your monthly payment through either ACH transaction or automatic debit transaction to your credit card, you waive the right to any future notice of the transfer of funds via either an ACH transaction or automatic debit to your credit card. The bank draft or debit shall occur on the 20th of each month preceding the 1st of the month effective dates and 5th of the month for 15th of the month effective dates and shall be referred to herein as for the ACUSA Membership Plan. Failure of a Member to pay these dues will be cause for cancellation of the membership by the Association. As a member, you agree that inquiries or challenges to ACH or Credit Card charges shall be limited to two (2) monthly payments and waive all rights to inquire into or challenge any and all other monthly payments. Your authority shall remain in effect until the Association receives a signed, written request from you to cancel your membership and plan benefits. If any payment is dishonored (with or without cause, intentionally or inadvertently), the Association assumes no liability whatsoever, even if the result of the dishonored payment is a termination of your membership. Your membership handbook and identification cards are available online at www.hiiquotecustomers.com.

#### **Additional Membership Materials**

If you lose or require additional Membership materials, you can access it online at www.hiiquotecsutomers.com or call Member Services at 1-877-376-5831 for assistance.

Members may cancel their membership at any time upon written notification to the Association. If you choose to cancel your membership, it is your responsibility to make sure that your written request for cancellation is received at least 5 days prior to your next draft date in order for your account not to be charged for an additional month's fees.

Cancellation requests may be mailed to: Health Insurance Innovations, 218 E. Bearss Ave., Suite 325, Tampa, Florida 33613. To receive a faxed confirmation of your cancellation, fax your request, with a return fax number to 1-877-376-5832.

Fees on memberships cancelled within 30 days of the initial Effective Date shall be refunded in full. Any refund to which a member may be entitled shall be processed within 10 business days from the date the written request for cancellation is received or 10 days from the date of funds obtained by the Program Manager, whichever is later. When claims are submitted during the first (30) days of membership you agree that such a submission constitutes acceptance of the membership, the products and their terms and submission of such a claim constitutes a waiver of any and all refund rights. For cancellations after the first (30) days, you must provide notification in writing, by fax or phone prior to your next monthly payment due date to prevent another automatic bill from occurring. If you cancel, membership will terminate at the end of the billing cycle for which you have paid. Please call 1-877-376-5831 to confirm your request for cancellation was received.

To change the mode of payment or make a change to your plan send a written request via fax to 1-877-376-5832 or call Member Services toll free at 1-877-376-5831. "Questions regarding your membership benefits may also be emailed to support@hiiquote.com. The Association reserves the right to terminate any membership or deny membership in the program for lack of payment. Returned checks, insufficient fund notices on bank drafts, or denial by the member's credit card company for payment of the periodic program fee is deemed evidence of non-payment by a Member.

Any bank service fees charged because of such action will be the responsibility of the Member.

Alliance for Consumers USA, Inc. is not an insurer, guarantor or underwriter and does not provide any medical treatment, medical services, products, product liability or guarantees for any Member. Your membership program may provide access to limited insurance benefits, accident medical, critical illness and pharmacy coverage. All group policies providing limited benefits are issued by licensed insurance companies to the Association as the policyholder. From membership dues, the Association pays the premiums for all limited insurance policies which are included in the various membership programs. A Certificate of Insurance or Synopsis of Coverage will be provided in membership fulfillment materials which contain only a brief description of coverage. Any difference between the Certificate or Synopsis of Coverage and the actual insurance policy will be settled according to the specific terms, limitations and exclusions contained in the policy.

Insurance benefits may not be available in all states and limitations and exclusions may vary by state.

This Agreement shall be governed and construed in accordance with the laws of the State of Missouri. Any dispute arising from or relating to the Agreement shall be resolved through binding, non-appealable private arbitration conducted in accordance with the rules of the American Arbitration Association. Exclusive venue for such arbitration shall be in Missouri. These provisions shall survive termination of membership in the Association.

This Agreement constitutes the entire Agreement between Members and the Association. There are no warranties, express or implied, other than those expressly stated herein. This Agreement may only be amended in writing and only by ACUSA. The Association may assign its duties and responsibilities to third parties and shall be relieved of any further liability hereunder.

The Association shall not share your personally identifiable information with the general public; however, the Association may send promotional information to its Members about services offered by the Association, its affiliates or partners.

These Terms and Conditions are subject to change without notice.

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 185 of 761 PageID 587 Description of Coverage for Outpatient Prescription Drug Benefits

This is a description of coverage available to you under the Generic Only Prescription Drug Plan. It is a summary only, and is not a policy or a contract.

#### Who is Eligible for Outpatient Prescription Drug

Each person who is actively enrolled for the Policyholder's Limited Medical Plan(s) and his or her Eligible Dependents.

#### **Effective Date of Coverage**

Coverage will become effective on the 1st or 15th day of the calendar month following receipt of the completed enrollment application, provided the required premium is paid.

#### **Termination Date of Coverage**

Coverage will end on the date the Policy terminates, the date the covered person is no longer eligible as described above, or the date the period ends for which premium has been paid.

#### **How This Plan Works**

The covered person will be given a prescription drug card. The covered person is required to present the prescription drug card to the contracted Participating Pharmacy. The maximum covered supply is 30 days at a Retail pharmacy, and 90 days at Mail Service.

When a Prescription Drug card is used at a contracted Participating Pharmacy, benefits are assigned to the Participating Pharmacy. If a covered person purchases a Prescription Drug at a Non-Participating Pharmacy or purchases a Prescription Drug at a contracted Participating Pharmacy without the prescription drug card, the covered person must pay the full cost for the Prescription Drug at the time of purchase and complete a claim form.

Reimbursement, subject to the contracted Participating Pharmacy Rate and the Co-payment, will be made directly to the covered person when a Non-Participating Pharmacy is used, or where purchase is made without the Prescription Drug card at a contracted Participating Pharmacy.

Benefit Schedule	Generic	<b>Mail Service Generic</b>	Brand
Copayment	\$20	\$60	Not Covered (Discounts may apply)
Maximum Payable Per Monthly Benefit Period	\$200 Per member, \$400 Family Maximum		Does not apply to brand names

Benefits are payable for Medically Necessary Covered Charges incurred by a covered person for the purchase of outpatient Prescription Drugs from a contracted Participating or Non-Participating Pharmacy. The Deductible must be satisfied before any benefits are payable, and any Co-payment must be paid for each Prescription Drug filled or authorized refill.

Prescription Drug means all outpatient Medically Necessary Generic Legend non-injectable medications, unless otherwise specifically excluded. Outpatient means a Prescription Drug is not taken in or administered by a hospital or any other health care facility or office. All over-the-counter and injectable medications are excluded. If classifications contain both prescribed and over-the-counter or both injectable and non-injectable products, only the non-injectable, prescribed products will be covered.

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#### **Limitations and Exclusions**

Prescription Drug means all outpatient Medically Necessary Generic Legend non-injectible medications, unless otherwise specifically excluded. Outpatient means a Prescription Drug is not taken in or administered by a hospital or any other health care facility or office. All over-the-counter and injectible medications are excluded. If classifications contain both prescribed and over-the-counter or both injectible and non-injectible products, only the non-injectible, prescribed products will be covered.

Exclusions: Prescription Drug benefits are not payable for the following items:

- All over-the-counter products and medications, including, but not limited to, electrolyte replacement, infant formulas, miscellaneous nutritional supplements and all other over-the-counter products and medications.
- 2. Blood glucose meters; insulin injecting devices.
- 3. Depo-Provera; condoms, contraceptive sponges, and spermicides; sexual dysfunction drugs.
- 4. Biologicals (including allergy tests); blood products; growth hormones; hemophiliac factors; MS injectables; immunizations; all other injectables unless shown in the definition of Prescription Drug.
- 5. All medical supplies and durable medical equipment unless shown in the definition of Prescription Drug.
- Liquid nutritional supplements; pediatric Legend Drug vitamins; prescribed versions of Vitamins A, D, K, B12, Folic Acid and Niacin - used in treatment versus as a dietary supplement; all other Legend Drug vitamins and nutritional supplements.
- 7. Anorexiants; Any cosmetic drugs including, but not limited to, Renova, skin pigmentation preps; Any drugs or products used for the treatment of baldness; Topical dental fluorides.
- 8. Refills in excess of that specified by the prescribing Doctor; or refills dispensed after one year from the original date of the prescription.
- All newly marketed pharmaceuticals or currently marketed pharmaceuticals with a new FDA approved indication for a period of one year from such FDA approval for its intended indication.
- 10. Any drug labeled "Caution limited by Federal Law for Investigational Use" or experimental drugs.
- Any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment.
- 12. Drugs needed due to conditions caused, directly or indirectly, by a covered person taking part in a riot or other civil disorder; or the covered person taking part in the commission of a felony.
- 13. Drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war;

- or drugs dispensed to a covered person while on active duty in any armed forces.
- 14. Any expenses related to the administration of any drug.
- 15. Drugs or medicines taken while in or administered by a hospital or any other health care facility or office.
- 16. Drugs covered under Worker's Compensation, Medicare, Medicaid or other Governmental programs.
- 17. Drugs, medicines, or products, which are not Medically Necessary.
- 18. Brand Name Prescription Drugs.
- 19. Diaphragms; Erectile dysfunction Legend drugs; Infertility Legend drugs.
- 20. Epi-Pen, Epi-Pen Jr, Ana-Kit, Ana-Guard; Glucagon-auto injection; Imitrex-auto injection.
- 21. Smoking deterrents, Legend or over-the-counter drugs.
- 22. Replacement of stolen medication (except under circumstances approved by Us), or lost, spilled, broken or dropped Prescription Drugs.
- 23. Vacation supplies of Prescriptions Drugs (except under circumstances approved by Us).

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OIC 8030 Horton 0941

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 187 of 761 PageID 589 **DEFINITIONS**

"Co-payment" means a fixed dollar amount that the Covered Person must pay for each Prescription Drug before benefits are payable under the Policy.

**'Dependent"** means an employee's lawful spouse; or an employee's unmarried child, from the month of birth to age 19, 25 if a full-time student, who is chiefly dependent on the member for support. A child, for eligibility purposes, includes a member's natural child; adopted child, beginning with any waiting period pending finalization of the child's adoption; or a stepchild who resides with the employee or depends chiefly on the member for financial support. Also, Dependent includes a newborn child of any covered person. A Dependent may also include any person related to the employee by blood or marriage and for whom the employee is allowed a deduction under the Internal Revenue Code.

"Generic" means therapeutically equivalent drugs as determined by the Food and Drug Administration which are identical to the Brand Name drugs in strength or concentration, dosage form and route of administration.

"Legend Drug" means any medical substance whose label is required to bear the legend "Caution: Federal Law Prohibits Dispensing Without A Prescription"; or state restricted drug that may not require a prescription under Federal Law, but does require one under state law.

"Medically Necessary" means that the Prescription Drug is necessary and appropriate for the diagnosis or treatment of a condition based on generally accepted current medical practices. A Prescription Drug will not be considered Medically Necessary if: 1) it is provided only as a convenience to the Covered Person or provider; 2) it is not appropriate treatment for the Covered Person's diagnosis or symptoms; 3) it exceeds in scope, duration or intensity that level of care needed to provide safe, adequate and appropriate diagnosis or treatment, or 4) it is part of a plan of treatment that is experimental, unproven or related to a research protocol. Because any particular Doctor may prescribe, order, recommend, or approve a Prescription Drug does not, of itself, make the service or supply Medically Necessary.

"Non-Participating Pharmacy" means a pharmacy that

does not participate in a program used by Us to provide Prescription Drugs in accordance with the provisions of the Policy.

"Participating Pharmacy" means a pharmacy that has agreed to participate in a program used by Us to provide Prescription Drugs in accordance with the provisions of the Policy.

This Description of Coverage is a brief description of the important features of the Outpatient Prescription Drug Plan. It is not a contract. The terms and conditions of coverage are set forth in the policy issued to your Employer. The policy is subject to the laws of the state in which it was issued. Coverage may not be available in all states or certain terms or conditions may be different if required by state law. Please keep this information as a reference.

Hon-Farticipating Filarmacy means a pharmacy that

Benefits Underwritten by: PRAM Insurance Services

Association Benefits provided by: Alliance for Consumers USA, Inc. (ACUSA)

Billing, Fulfillment, and Customer Service provided by: Health Insurance Innovations.

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OIC 8030 Horton 0942

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 188 of 761 PageID 590 RX EDO NATIONWIDE CHAIN LISTING

ACCREDO HEALTH GROUP INC

**ACME PHARMACY** 

AFS GIANT/TOPS MARKETS

AHOLD USA

ALBERTSONS PHARMACY
AMERICAN PHARMACY COOP

**AMERITA** 

APPALACHIAN HEALTH AURORA PHARMACY BARTELL DRUGS BASHAS UNITED DRUG BEL AIR MARKETS

BIG Y BI-LO

BI-MART DRUGS ROOKSHIRE BROTHERS

BRUNO'S INC.

**BUEHLERS PHARMACY** 

BUSCHS CITY MARKET COSTCO

CRITICAL CARE SYSTEMS

CVS

DAHLS FOODS DALLAS METROCARE

SERVICES

DIERBERGS GREEN MOUNT

DILLON

DISCOUNT DRUG MART

DOCS DRUGS

DRUG WORLD PHARMACIES

DUANE READE FAGEN

FAIRVIEW PHARMACY

**SERVICES** 

FOOD LION/KASH & KARRY

FRED MEYER FREDS

FRYS FOOD AND DRUG STORES

G H A PHARMACY GEMMEL PHARMACY GIANT EAGLE

GIANT OF MARYLAND GOLUB CORPORATION

GRISTEDES
H E B PHARMACY
HAGGEN

HANNAFORD BROTHERS HARMONS PHARMACY HARPS FOOD STORE HARRIS TEETER HARTIG DRUG CO HARVARD VANGUARD

MEDICAL

HARVEYS SUPERMARKET
HEALTHPARTNERS PHARMACY
HEARTLAND PHARMACY
HIP PHARMACY SERVICES
HI-SCHOOL PHARMACY

HOMELAND STORES
HORTON AND CONVERSE HY-VEE FOOD

STORES

IHC HEALTH SERVICES INGLES MARKET

INSERRA SUPERMARKET

JORDAN DRUG

K MART KELSEY SEYBOLD KERR DRUG STORE

KING KULLEN PHARMACY

KING SOOPERS KINNEY DRUGS

KLINGENSMITH'S DRUG

STORE KMART

KNIGHT DRUGS

KROGER

K-VA-T FOOD STORE
L & L FOOD CENTERS
LIFECHEK DRUG STORE
LML ENTERPRISE
LONGS DRUG STORE
LOUIS AND CLARK
DRUGSTORE
M.K. STORE

MARSH DRUGS LLC
MARTIN'S SUPERMARKET
MAXOR NATIONAL
MAYO PHARMACY
MAYS DRUG STORE
MED-FAST

MEDFUSION RX
MEDICINE AHOPPE
PHARMACY
MEDISERV
MEDVANTX
MED-X DRUG
MEIJER

MERCY HEALTH SYSTEM

RETAIL
MINYARD
MORTON DRUG
NASH FINCH COMPANY
NAVARRO DISCOUNT
NEIGHBORCARE

NOB HILL NORTHWEST HEALTH

**VENTURES** 

OMNICARE/NCS HEALTHCARE ONCOLOGY PHARMACY

SERVICES OSCO DRUG

OPTION CARE ENTERPRISES
P & C FOOD MARKET
PACMED CLINIC

**PAMIDA** 

PARK NICOLLET PHARMACY

PATHMARK
PATIENT FIRST
PEARLMART
PENN TRAFFIC
PEOPLES PHARMACY
PHARMA-CARD INC
PHARMACY EXPRESS

SERVICES PHARMERICA PIGGLY WIGGLY

PRAIRIESTONE PHARMACY

PRESCRIBIT RX

PROCARE PHARMACY

PROFESSIONAL PHARMACY

SERVICES PUBLIX QFC

QUALITY MARKETS
QUICK CHEK
QUINN SUPERS
RALEYS DRUG CENTER

RALPHS

RAMEY/PRICE CUTTER

**REASORS** 

RITF AID

RECEPT PHARMACY RINDERERS DRUG

RITZMAN RONETCO RXD PHARMACY SAFEWAY SAKER SHOPRITE SAM'S CLUB SAVE MART SAV-MOR SAV-ON DRUGS

SCOLARI'S FOOD AND DRUG

SHOPKO SHOPRITE

**SCHNUCKS** 

SMITHS FOOD & DRUG SNYDER DRUG EMPORIUM SOUTHERN FAMILY MARKET SPARTAN PHARMACY STAR MARKET/SHAWS STOP AND SHOP

SUPER D SUPERVALU TARGET

TOM THUMB PHARMACY

TOPS MARKETS
UKROPS
UNITED
UNITY RETAIL
US BIOSERVICES
USA/SUPER D DRUG
VALUE DRUGS

VILLAGE SUPERMARKET WALGREEN DRUG STORE

WAL-MART
WEBER & JUDD
WEGMANS
WEIS
WINN DIXIE
YOKES PHARMACY
ZALLIE SUPERMARKET

#### MARKETING AGREEMENT

**THIS AGREEMENT** is made and entered into this 9<sup>th</sup> day of February, 2016 by and among Alliance for Consumers USA, a corporation formed under the nonprofit corporation laws of the State of Nebraska, ("Association"), Magna Monroe Management Group, LTD, a Lousiana corporation ("Program Manager"), and Health Plan Intermediaries Holdings, LLC, a Delaware limited liability company ("Marketer"), also referred to individually as a "party" or collectively as "parties".

#### WITNESSETH

WHEREAS, Association is a membership organization formed under the nonprofit corporation laws of the State of Nebraska for the purpose of assisting and educating current and potential members on the availability of certain benefits and services; and

WHEREAS, Program Manager has contracted with Association as its exclusive management services company for the purpose of providing services to Association or obtaining access to benefits, services and products through third parties; and

**WHEREAS**, Program Manager on behalf of Association desires to engage the services of Marketer for the purpose of providing marketing services as more fully set forth in this Agreement and Marketer desires to accept the engagement; and

**WHEREAS**, the parties recognize they will receive consideration in the form of economic benefit and opportunity associated with the work to be performed;

**NOW THEREFORE**, for and in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

#### SECTION 1 PURPOSE

1.01 **Purpose.** Association is a corporation that provides certain discounted and other benefits, products, programs and services to its members. Association markets to interested consumers. In order to effectively and efficiently operate and expand its business, Association has determined it to be beneficial to enter into this Agreement with Marketer whereby Marketer will perform the services set forth in Section 3 and Section 5.04.

#### SECTION 2 APPOINTMENT OF MARKETER

2.01 **Appointment of Marketer.** Association, by and through Program Manager, appoints and authorizes Marketer to solicit, market and sell for Association, as set forth herein, and Marketer accepts such appointment and authorization. No exclusive rights to sell memberships or any products, programs or services are granted to Marketer under this Agreement. Nothing in this Agreement grants Marketer any specific geographic territorial limit of operation. Where required

by applicable law to perform the services hereunder, Association and Program Manager will use their respective commercially reasonable efforts to have Marketer promptly appointed, when and where required by applicable law, to sell the products and programs specified on Exhibit A.

2.02 **Independent Contractor**. The parties acknowledge and agree that the relationship created hereunder is one of an independent contractor and not one of employment, partnership or joint venture. Except as otherwise expressly provided herein, (a) Marketer shall not hold itself out to third parties as an agent, employee or officer of Association or Program Manager and Marketer shall have no express or implied authority to create, assume or amend any right or obligation on behalf of or in the name of the Association or Program Manager and (b) neither Association or Program Manager shall hold itself out to third parties as an agent, employee or officer of Marketer, and neither Association nor Program Manager shall have any express or implied authority to create, assume or amend any right or obligation on behalf of or in the name of Marketer. Marketer shall be free to exercise its judgment as to the persons or entities from whom it solicits memberships or any products, programs or services and the time, place and manner of solicitation, subject to the terms of this Agreement.

#### SECTION 3 MARKETING SERVICES

- 3.01 **Marketing Services.** Marketer shall provide the following marketing services to the Association:
- a. development, establishment and implementation of a marketing program to acquire new members for the Association;
- b. preparation, production and distribution of marketing materials for the purpose of enrolling new members, however, Marketer must obtain from the Program Manager written approval of all such marketing materials prior to utilizing same;
- c. enrollment of new members in the Association including, but not limited to, providing prospective members with, and assisting them with the completion of, applications for membership in the Association on such forms as are furnished and approved by the Association and the collection of the applicable retail fee for the program purchased by an enrolled member, which retail fees are set forth on Exhibit A and which may be increased or decreased by the Program Manager from time to time by at least ninety (90) days prior written notice to the Marketer; provided, that notwithstanding anything in this Agreement to the contrary, the parties understand and agree that the services to be provided by Marketer hereunder do not include, and Marketer will have no responsibility for, the adjustment, administration or payment of claims or benefits under any product or program purchased by an enrolled member in the Association;
- d. preparation, production and distribution of membership fulfillment kits, as approved and/or provided by Program Manager, to new Association members recruited by Marketer;
- e. those services set forth in Section 5.04, and any other marketing services that are mutually agreed upon by the parties from time to time.

## SECTION 4 DUTIES AND RESPONSIBILITIES OF ASSOCIATION AND PROGRAM MANAGER

- 4.01 **Duties and Responsibilities of Association and Program Manager.** Association, by and through Program Manager, and Program Manager, itself, shall:
  - a. provide a monthly report of, in each case on an aggregate basis, the dollar amount of paid claims or benefits, and the number of members who made claims or applied for benefits;
  - b. provide training in respect to the structure, purpose, philosophy and programs of the Association, including but not limited to the characteristics of potential members that are to be solicited for a membership in the Association;
  - c. provide Marketer the informational materials for all Association memberships, products, benefits and services to use in all marketing, advertising, websites, enrollment, and fulfillment kits; provided, that any changes made by Marketer must be approved in writing by the Program Manager;
  - d. obtain and maintain certificates of authority in those jurisdictions in which the Association or Program Manager will conduct business;
  - e. comply with all applicable laws and regulations relating to the business of Association and the obligations of Association and Program Manager hereunder; and
  - f. any other services that are mutually agreed upon by the parties from time to time.

#### SECTION 5 MARKETER AND SUB-MARKETERS

5.01 Appointment. Marketer is hereby authorized to appoint and terminate sub-marketers for the purpose of soliciting, marketing and selling the various membership benefit packages of the Association. Marketer shall monitor the conduct and activities of its appointed sub-marketers including, but not limited to, verifying the sub-marketers have a proper insurance license and comply with all applicable laws and regulations relating to the business. The parties acknowledge that the program currently set forth in Exhibit A does not provide for insurance benefits and does not require that Marketer or its sub-marketers be appointed by an insurance company under applicable law; provided, that if there is any change in the program to add insurance benefits or benefits that would otherwise require Marketer and/or its sub-marketers to be appointed by an insurance company under applicable law, the parties will discuss, in good faith, the applicable appointment process and procedures prior to Marketer marketing any such benefits under the program.

5.02 **Compliance.** Marketer shall at all times during the Term of this Agreement market the programs set forth in Exhibit A in compliance with the lawful written directives from Program Manager that are consistent with the terms of this Agreement and all applicable federal and state laws and regulations, in each case, in all material respects. Each party will refer all regulatory complaints or inquiries involving another party(ies) to such other party(ies) within five (5) business days of receipt. Each party will provide to the other applicable party all information needed to review and assess the complaint or inquiry. To the extent permitted by applicable law, the parties will use their respective good faith efforts to coordinate their respective responses to any such regulatory complaint or inquiry.

Marketer shall comply with all federal and state do-not-call and other telemarketing laws and shall not conduct any form of fax blasting or engage directly or indirectly in any other unethical or illegal marketing practice.

- 5.03 **Marketing Guidelines.** Marketer shall present the programs of Association set forth in Exhibit A consistent with presentation material furnished or approved by the Program Manager for use by Marketer.
- 5.04 **Duties and Responsibilities of Marketer.** Marketer shall perform the following duties and responsibilities under this Agreement:
  - a. Enrollment of Members: As new members are enrolled and become eligible for benefits, Marketer will provide a fulfillment kit as well as any and all additional materials relating to the applicable program(s) which contain disclosures, if any required, regarding association membership and the specifics about the applicable products purchased by such enrolled members, in each case, but only such materials that have been approved and/or provided by Program Manager. The parties understand and agree that certain language within such materials will be required by Association vendors providing the applicable benefits and may not be modified by any party.
  - b. Billing and Fees: No later than fifteen (15) days following the end of each calendar month (or if such date is not a business day, the first business day thereafter) Marketer will collect and remit to the Program Manager, via wire transfer, the applicable "net rate" specified in Exhibit A for each enrolled, eligible and active member as of the end of the immediately preceding calendar month.
  - c. Eligibility Reporting: Marketer will electronically report all enrolled, eligible and active members and member cancellations monthly to the Program Manager on the 16<sup>th</sup> or first business day thereafter of each month for enrolled, eligible and active members the previous month. Marketer will also provide the Program Manager with an electronic eligibility file listing all active members as of the last day of the previous month and all members that have been terminated since the last eligibility file. Such files will be provided in a format to be mutually agreed by Marketer and Program Manager.

- d. Fulfillment: Marketer will distribute or make accessible on-line all membership materials to the members which distribution cost shall be borne by Marketer. The fulfillment membership materials shall include, but not be limited to, a letter, membership cards and instructions to access the membership products and benefits on-line. In the event a member requests that the fulfillment membership materials to be sent in the mail, Marketer shall bear that expense.
- e. Customer Service: Marketer will provide customer service to members by responding to telephone inquiries regarding the applicable program benefit(s) and will provide the Program Manager and Association with a toll free number that members may be referred to for additional service.

#### SECTION 6 COMPENSATION

- 6.01 **Compensation.** As compensation for its services under this Agreement, Marketer may charge members fees for the program including, but not limited to, enrollment fees, association fees, and administration fees. Administrator shall retain all such fees as compensation.
- 6.02 **Change in Benefits.** Marketer acknowledges that benefits and/or products available to the members of Association are offered at the sole discretion of Program Manager and Association and may vary by availability, vendor or the member's state of residence. Association may change vendors or immediately terminate the benefits and/or products offered in the event Association's vendors terminate, cease, or modify such benefits and/or products. Association reserves the right to change the "net rate" specified in Exhibit A on written notice to Marketer on the lesser of (i) ninety (90) days' prior to such effective date of change or (ii) that number of days the applicable vendor providing such benefit or product under the program must give advance written notice to Association (the "Net Rate Notice Period"). After receiving notice of any increase or decrease in the "net rate", Marketer shall have a right to terminate this Agreement if Marketer gives Association or Program Manager written notice of such termination within the Net Rate Notice Period.
- 6.03 **Expenses.** Each party shall be responsible for its own expenses in performing its services under this Agreement. Expenses shall include, but not be limited to, costs of litigation, equipment, supplies, telephone, facsimile, e-mail, postage, printing, marketing, personnel and travel.

## SECTION 7 TERM AND TERMINATION

- 7.01 **Term of Agreement.** The term of this Agreement shall commence on the Effective Date and shall continue for a period of one year and shall automatically renew for successive one-year terms unless earlier terminated or extended as provided herein.
- 7.02 **Termination by Notice**. This Agreement may be terminated without cause by any party upon delivery of written notice of termination to the other parties at least ninety (90) days prior to the expiration of the then-current term.

- 7.03 **Automatic Termination**. This Agreement shall automatically terminate as of the date of the death or adjudged incompetency of Marketer if Marketer is a natural person. In the event of such death or adjudged incompetency, any compensation due Marketer hereunder shall be paid when due, as applicable, to Marketer's legal representative, to the lawful spouse of Marketer, if living, or to the estate of Marketer.
- 7.04 **Termination for Cause.** Notwithstanding any other provision of this Agreement, Association shall have the right to terminate this Agreement "For Cause" by sending to Marketer a written notice of such termination which shall be effective upon receipt by Marketer of such notice, in the event Marketer (a) fails to observe, in any material respect, any lawful written rule, regulation, requirement, or instruction of Association or Program Manager; (b) violates any state insurance law, regulation, or policy in any material respect; (c) commits fraud; (d) breaches or violates any provision of this Agreement in any material respect; (e) voluntarily files any proceeding involving bankruptcy, dissolution, insolvency, receivership or similar action or (f) has filed against it an involuntary petition in bankruptcy which remains unstated or in effect for a period of more than forty five (45) days. Provided, that prior to terminating this Agreement pursuant to clause (a), (b) or (d), Association shall first give Marketer a period of thirty (30) days from Marketer's receipt of notice from Association to cure any such alleged failure, violation, or breach.

Notwithstanding any other provision of this Agreement, Marketer shall have the right to terminate this Agreement "For Cause" by sending to Association a written notice of such termination which shall be effective upon receipt by Association of such notice, in the event Association or Program Manager (a) violates any state insurance law, regulation, or policy in any material respect; (b) commits fraud; (c) breaches or violates any provision of this Agreement in any material respect; (d) voluntarily files any proceeding involving bankruptcy, dissolution, insolvency, receivership or similar action or (e) has filed against it an involuntary petition in bankruptcy which remains unstated or in effect for a period of more than forty five (45) days. Provided, that prior to terminating this Agreement pursuant to clause (a) or (c), Marketer shall first give Association or Program Manager (as applicable) a period of thirty (30) days from Association's or Program Manager's (as applicable) receipt of notice from Marketer to cure any such alleged failure, violation, or breach.

In the event that this Agreement is terminated, all duties and obligations of the parties hereunder shall immediately cease other than the obligation to settle-up for "net rates" owed to Association for members enrolled prior to the effective date of termination of this Agreement.

7.05 **Return of Records.** Upon termination of this Agreement for any reason, Marketer shall promptly forward to the Program Manager or Association copies of any and all records and materials relating to Marketer's provision of services hereunder including, but not limited to, records and materials created by the Marketer or given to the Marketer by the Program Manager and/or Association for its use under this Agreement; provided, that Marketer shall be entitled to retain copies of any and all such records and materials.

#### SECTION 8 CONFIDENTIAL INFORMATION

Confidential Information and Protection of Non-Public Personal Information. For 8.01 the term of this Agreement and for a period of two years following the termination of this Agreement, each party agrees to maintain the other party's Confidential Information (defined below) in strict confidence and in a manner to safeguard against unauthorized access, disclosure, and use and not to use any other party's Confidential Information for any purpose other than to perform its obligations under this Agreement. "Confidential Information" shall mean any data or information that is proprietary to the disclosing party and not generally known to the public, including, but not limited to any information relating to a party's marketing strategies, business systems and databases. Confidential Information shall not include any information of a disclosing party that (a) is or becomes generally available to the public other than as a result of a disclosure by a receiving party, (b) was within a receiving party's possession prior to its being furnished to the receiving party by a disclosing party or (c) becomes available to a receiving party on a nonconfidential basis from a source other than the disclosing party; provided, that with respect to clauses (b) and (c) above, the source of such information was not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the disclosing party or any other individual or entity with respect to such information.

If a receiving party is compelled by deposition, interrogatory, subpoena, civil investigative demand or similar process, or upon demand of any governmental authority with jurisdiction over it or as otherwise required by applicable law ("Disclosure Demand") to disclose any of the non-public, confidential or proprietary information of the disclosing party, the receiving party will provide the disclosing party with prompt written notice of each such Disclosure Demand so that the disclosing party may (at its expense) seek an appropriate protective order or other appropriate remedy and/or waive the receiving party's compliance with the provisions of this Section 8.01. In addition, if requested by the disclosing party, the receiving party shall assist the disclosing party at the disclosing party's expense in obtaining a protective order and taking other legally available steps to resist or narrow any such Disclosure Demand. In the event that such protective order or other remedy is not obtained promptly, the receiving party may furnish that portion (and only that portion) of such non-public, confidential or proprietary information which, in the written opinion of the receiving party's counsel, the receiving party is legally required to disclose and will otherwise exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any such non-public, confidential or proprietary information.

The terms of this section shall survive the termination of this Agreement.

8.02 **Non-Public Personal Information.** With regard to non-public personal information, the parties agree that they are prohibited from using consumer or customer non-public personal information other than as required or permitted by applicable state or federal laws, regulations or rules. The parties agree not to disclose consumer or customer non-public personal information to any third parties without prior written permission of the disclosing consumer or customer. *No party shall disclose a person's social security number in violation of any applicable state or federal laws, regulations or rules.* 

- 8.03 **Health Insurance Portability and Accountability Act ("HIPAA") Compliance.** The parties mutually agree to comply with the privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulations (45 C.F.R. Parts 160-164), as amended by The Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111–5) and with the requirements of all insurance commissioner regulations implementing Title V of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.), as amended from time to time. Marketer shall, upon request, enter into a commercially reasonable Business Associate Agreement with Association.
- 8.04 **Member Names.** Association and Program Manager acknowledge that the members are the property of Marketer and the names and addresses of all persons who have joined Association (through the efforts of Marketer) are confidential in nature to Marketer, and Association and Program Manager each agree that they will not provide the names, addresses or other information relative to such persons to any third party or use said information for any purposes other than for the business contemplated hereunder.
- 8.05 **Injunctive Relief.** The parties agree that the remedy at law for breach of any provision of this Section may be inadequate and that, in addition to any other remedies at law that a party may have, the prevailing party shall be entitled to temporary and permanent injunctive relief without the necessity of proving actual damages.

#### SECTION 9 TRADEMARKS AND PROPRIETARY RIGHTS

- 9.01 **Trademarks and Proprietary Rights.** Each party owns and shall retain all right, title and interest in its tradenames, logos, trademarks, service marks, Internet domain names, copyrights, patents, trade secrets and proprietary technology, including, without limitation, those currently used or which may be developed and/or used by it in the future ("Intellectual Property"). Except as provided in this Agreement, neither party may distribute, sell, reproduce, publish, display, perform, prepare derivative works or otherwise use any of the Intellectual Property of the other party without the express written consent of such party. Neither party shall use the other party's Intellectual Property in a manner that disparages the other party or its products or services, blurs, dilutes or otherwise diminishes the other party or its products or services in a false, competitively adverse or poor light.
- 9.02 **Limited Licensed Property.** Notwithstanding the provisions of paragraph 9.1, Association grants Marketer a limited, non-exclusive, non-transferable, revocable license to use, reproduce and distribute Association's name and logo, including a link to any Association web site, for use in Marketer's promotional materials, fulfillment kits or web sites in accordance with the terms of this Agreement.

#### SECTION 10 INDEMNIFICATION AND HOLD HARMLESS

10.01 **Indemnification and Hold Harmless.** Each party agrees to indemnify, defend and hold harmless the other parties (and their respective affiliates, and their respective officers, directors, managers, employees, representatives and agents) from and against any and all liability, claims, losses, damages, injuries or expenses (including reasonable attorneys' fees) directly or indirectly arising from or relating to any breach of this Agreement or any applicable law or regulation by such party. In addition, Association agrees to indemnify, defend and hold harmless Marketer (and its affiliates, and their respective officers, directors, managers, employees, representatives and agents) from and against any and all liability, claims, losses, damages, injuries or expenses (including reasonable attorneys' fees) directly or indirectly arising from or relating to any claim coverage and/or benefits under an Association product or program. No party shall be liable to any other party for any special, consequential (even if a party has been informed of the possibility of such damages), incidental, punitive or indirect damages, losses, costs or expenses or any lost or imputed profits of any kind arising out of this Agreement or its termination, however caused, and whether based in contract, tort (including negligence), products liability or any other theory of liability regardless of whether such party has been advised of the possibility of such damages, losses, costs or expenses except in the case of fraud, willful misconduct, to the extent awarded in connection with an action, suit or proceeding involving a third party or imposed by a governmental authority.

10.02 Conditions of Indemnification. The parties hereunder shall have a right to be indemnified and held harmless herein; provided that the party seeking such indemnification (a) promptly notifies the party from whom indemnification is sought of such claim and/or any applicable action, claim or proceeding involving a third party; provided, that any delay in providing such notice shall not affect the obligation of the indemnifying party under this Section 10 unless such delay has materially and adversely affected the indemnifying party; (b) provides, if the claim for indemnification involves an action, suit or proceeding with a third party, the indemnifying party with all information reasonably accessible to it for such party to defend any such action, claim or proceeding (other than that which is subject to an attorney-client or other legal privilege or constitutes attorney work product); and (c) reasonably cooperates with the indemnifying party, and at the indemnifying party's cost and expense, in regard to its investigation and defense of any claim for indemnification involving an action, suit or proceeding with a third party. The party seeking such indemnification shall have the right, at its own expense, to participate in the defense of any action, claim or proceeding for which it is indemnified and which has been assumed by the indemnifying party.

An indemnifying party shall not, without the prior written consent of all indemnified parties, settle, compromise or offer to settle or compromise any action, suit or proceeding on a basis that would result in (i) injunctive or other nonmonetary relief against any indemnified party or any affiliate of any indemnified party, including, without limitation, the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of an indemnified party or any affiliate of an indemnified party, (ii) a finding or admission of a violation of applicable law or violation of the rights of any individual or entity by an indemnified party or any affiliate of an indemnified party or (iii) any monetary liability of an indemnified party or any affiliate of an indemnified party

that will not be promptly paid or reimbursed by the indemnifying party. An indemnified party shall not, without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld, conditioned or delayed, settle, compromise or offer to settle or compromise any action, suit or proceeding for which indemnification has been, or will be, sought pursuant to this Section 10.

#### SECTION 11 RECORDS, REPORTS AND AUDIT

- 11.01 **Records.** Each party shall maintain accurate and complete records of all transactions between the parties.
- 11.02 **Confirmation of Information.** The parties shall reasonably cooperate with each other in providing such information as may be required to confirm information contained on any master file, sales information, billing or such other related information as may be required to ensure conformity with the terms, provisions and conditions of this Agreement.
- 11.03 **Right to Audit.** Each party (or such auditors as either party may select) shall have the right to examine the books and records of the other party as they specifically relate to the business transacted under this Agreement. Either party may conduct and audit during the term of this Agreement and for a period of two (2) years following its termination, upon reasonable prior written notice to the other party; provided that no party shall be subject to such audit more than once every calendar quarter. Each such audit shall be conducted in the presence of duly authorized representative of the party being audited at a time mutually agreeable to both parties. No documents, machine-readable data or other information in any format shall be copied or reproduced by the auditing party (or its selected auditors) without (a) first being reviewed by the audited party's authorized representative(s), and (b) obtaining the audited party's written consent for any such copying or reproduction. The party conducting the audit shall bear all cost and expenses relating or attributable to each such audit.

Any such audit shall be conducted in a manner that does not unreasonably interfere with the conduct of the business of party being audited or its affiliates, and any information so reviewed shall be treated and held confidential and proprietary information on the same terms, and subject to the same conditions, as set forth in Section 8. Notwithstanding the foregoing, in no event shall the party being audited or its affiliates be required to provide access to any books and records to the extent that they contain information that is subject to an attorney-client or other legal privilege or constitute attorney work product.

#### SECTION 12 WARRANTIES

12.01 **Warranties.** The parties hereby severally warrant and represent to each other that this Agreement and the transactions contemplated herein have been duly and validly approved by all necessary corporate action, and that this Agreement represents and constitutes the binding obligation of the parties, and the activities of the parties contemplated hereunder are, and will be, in compliance, in all material respects, with all applicable laws, rules and regulations of any

authority having any proper jurisdiction; and provided further, that the parties' compliance with the terms, provisions, and conditions of this Agreement will not constitute a material default or prohibited activity by the parties under the terms of any other agreement to which the parties are a party. Those parties acknowledge and confirm that they are relying on said warranties and representations of each other contained herein. The only warranties and representations made by the parties hereunder are those specifically contained in this Agreement and no others of any kind or nature whatsoever are being made herein.

#### SECTION 13 MISCELLANEOUS

- 13.01 **Entire Agreement; Amendment and Modification**. This Agreement and the Schedule or Schedules attached hereto, as amended, contain the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereto. This Agreement may not be amended, modified or supplemented except by an instrument in writing signed by the party against whom enforcement of any such amendment, modification or supplement is sought.
- 13.02 Extensions and Waivers. The parties may extend the time for the performance of any of the obligations hereunder or may waive compliance with any obligation, covenant, agreement or condition contained herein. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in writing signed by the party against whom enforcement of any such extension or waiver is sought. No failure or delay on the part of any party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation or agreement. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.
- 13.03 **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that Marketer may not assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other parties. If Marketer is a natural person, in no event shall this Agreement be binding upon and inure to the benefit of Marketer's heirs, assigns, beneficiaries, executors and administrators.
- 13.04 **Severability.** If any provision of this Agreement is held to be invalid or unenforceable to any extent, the remainder of this Agreement shall remain in full force and effect and shall be reformed to render the Agreement valid and enforceable while reflecting to the greatest extent permissible the intent of the parties.
- 13.05 **Headings.** Headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.
- 13.06 **Notice**. All notices shall be sufficiently given for all purposes if in writing and deemed received: (i) when delivered personally; (ii) in the case of facsimile transmission upon receipt by the sender of a printed confirmation of transmittal; (iii) in the case of transmittal by electronic

mail, upon receipt by the sender of electronic confirmation of such transmittal; or (iv) when delivered by registered or certified mail, postage prepaid, return receipt requested or by nationally-recognized overnight courier service to the address of the respective parties as follows (or at such other address, facsimile number, e-mail or individual for a party as shall be specified by like notice):

if to Marketer, to:

Bryan Krul
Health Plan Intermediaries Holdings, LLC
15438 N. Florida Avenue, Suite 201
Tampa, Florida 33613

Facsimile: (877) 376-5832 E-mail: <u>brkul@hiiquote.com</u>

if to Association or Program Manager (which single notice shall constitute notice to both Association and Program Manager), to:

Scott Intravia Magna Monroe Management Group, LTD 895 Park Avenue Mandeville, Louisiana 70448 Facsimile:

E-mail: sintravia@magnamonroe.com

Each party shall be responsible to ensure that their respective contact information, including e-mail address, phone number and fax number is updated, current and correct.

- 13.07 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Venue for any such dispute shall be in Tampa, Florida
- 13.08 **Arbitration.** Any dispute or claim arising out of or in relation to this Agreement, or the interpretation, making, performance, breach or terminations thereof, shall be finally and exclusively settled by binding arbitration under the commercial arbitration rules of the American Arbitration Association. The arbitration shall take place in Tampa, Florida. The decision of the arbitrator shall be conclusively binding upon the parties and final and such decision shall be enforceable as a judgment in any court of competent jurisdiction. The parties shall share equally the costs of the arbitration; provided, however, that the prevailing party shall be entitled to recover its share of such costs.
- 13.09 **Attorneys' Fees.** In the event of any legal, equitable or administrative action or proceeding brought by a party against the other party under this Agreement, the prevailing party shall be entitled to recover the reasonable fees of its attorneys and any costs incurred in such action or proceeding, including costs of appeal, if any, in such amount as the court or administrative body

having, jurisdiction over such action may award.

13.10 Counterparts. This Agreement may be executed in two or more counterparts and delivered via facsimile or other electronic transmission, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ASSOCIATION:	MARKETER:
ALLIANCE FOR CONSUMERS USA	HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC
By: Shading W. Some SIGNATURE NAME: BRADLY N. BONE TITLE: PRESIDENT	By: Signature  NAME: Bryan Kral  TITLE: EVP
PROGRAM MANAGER:	
MAGNA MOYROE MANAGEMENT GROU	P, LTD
By: SIGNATURE	
NAME: SOUT INTRAVIA	
TITLE: FRESIDENT Y CEO	

#### **EXHIBIT A**

This Exhibit A is made a part of the Marketing Agreement entered into this day 9<sup>th</sup> of February, 2016 by and between Association, Program Manager and Marketer.

#### **Tradesman Referral:**

24 hours a day, 7 days a week this service matches you to prescreened and customer rated pros for home improvement, maintenance and repair needs. Call the toll-free number to locate repair professionals. You get a \$750 service guarantee and monthly tips and advice!

#### PatriotHomeSavings.com:

Provides the opportunity to save hundreds or even thousands of dollars each time members buy and / or sell a home. The benefit provides money saving opportunities to members as they make one of the most important investments of their lifetime. 20% rebates on real estate commission each time they buy and/or sell a home. 20% reduction in lender fees when they close their loan with PrimeLending, a PlainsCapital Company. Discounts on Van Line/Moving Service. Competitive quote on Home and Automobile through Liberty Mutual. Home Warranties available through Home Warrantech.

#### **Magazine Discount Program:**

Enjoy the convenience and savings of a magazine delivered to your home! Receive 30% off most magazines.

#### **Gift Basket Savings:**

Members receive 10% off gift baskets and gifts at GiftTree.com. GiftTree offers a wide-assortment of high-quality gifts including wine baskets, gourmet baskets, flowers, fruit, personalized gifts and much more.

#### **Vacation Resort Savings:**

Members can choose from a full assortment of luxurious resort accommodations at "member-only" rates. From drive-to weekend getaways, to more exotic destinations, this exclusive member benefit offers a wide variety to choose from. Members can choose from hundreds of luxurious resort locations that include: Hawaii, California, Arizona, Orlando, Miami, Puerto Vallarta, Cancún and more.

**Floral Savings:** Special occasions warrant beautiful floral arrangements! Members call a toll free number or visit the website and provide the "member code" (included in the membership materials) to receive a 15% discount. Discounts are provided by: FTD.com; Americanblooms.com and 1-800-flowers.

### DENTAL DISCOUNT PLAN AGREEMENT FOR THE DENTAL NETWORK ACCESS PLAN

#### PARTIES

This DENTAL DISCOUNT PLAN AGREEMENT (hereinafter "Agreement") dated this day of January 2013, is by and among Health Plan Intermediaries Holdings, LLC., dba Health Insurance Innovations (HII), a limited liability company organized under the laws of the State of Delaware (hereinafter "Company"), and Connecticut General Life Insurance Company, a corporation organized under the laws of the State of Connecticut, and its subsidiaries and affiliates, Cigna Health and Life Insurance Company, a corporation organized under the laws of the State of Connecticut and Cigna Dental Health, Inc., a corporation organized under the laws of the State of Florida, and its operating subsidiaries and affiliates (hereinafter collectively, "Cigna Dental").

#### **PURPOSE**

Cigna Dental has developed a panel of dentists in private practice, or participating providers, who have agreed to provide specified dental services on an individually negotiated discounted fee-for-service basis pursuant to a fee schedule;

Cigna Dental has developed a dental discount plan (hereinafter also referred to as "Dental Discount Plan", "Dental Network Access Plan or DNA"), that is not an insurance product or program, which provides members access to the discounted fee-for-service fee schedule rates agreed to by participating providers which are paid in full by members directly to the participating providers;

Company is an organization that designs, provides, markets, sells and administers discount services programs, sometimes referred to as medical discount programs or health care savings programs, which provide access to discounted rates on various, and often times multiple types of health care related and other services and products from various medical and other service providers;

Company desires to purchase the dental discount plan developed by Cigna Dental and incorporate it into the discount programs that Company designs, provides, markets, sells and administers to provide its customers and clients access to the discounted fee-for-service fee schedule rates agreed to by participating providers;

Cigna Dental desires to allow Company to purchase and incorporate Cigna Dental's dental discount plan, subject to all of the terms and conditions of this Agreement, into the health care savings programs designed, sold and administered by Company; and

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 Cigna Dental desires to delegate to Company and Company is willing to accept such delegation of all administrative services, duties and responsibilities related to Cigna Dental's dental discount plan, sold by Company, in accordance with the terms and conditions set forth below.

In consideration of the mutual promises and covenants herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Company and Cigna Dental agree as follows:

#### 1. **DEFINITIONS**

Terms not otherwise defined herein shall have the meanings set forth below:

- 1.1. "<u>Cigna Dental</u>" refers to Connecticut General Life Insurance Company and Cigna Dental Health, Inc., and their operating subsidiaries and affiliates.
- 1.2. "<u>Dental Discount Plan</u>" means the Dental Network Access plan developed by Cigna Dental, which is not an insurance product or program, which provides Members access to the discounted fee-for-service fee schedule rates agreed to by Participating Providers which are paid in full by Members.
- 1.3. "<u>Dental Services</u>" means those Dental Services ordinarily provided by General Dentists, Participating Specialists and para-dental personnel.
- 1.4. "<u>Participating Provider</u>" means a licensed General Dentist or Participating Specialist who has agreed to participate in the Dental Discount Plan and to accept discounted fee-for-service fee schedule rates as payment in full for those dental services included on the fee schedule.
- 1.5. "Member" means an individual entitled to access to the discounted fee schedule rates under the Dental Discount Plan, due to that individual's enrollment in a Discount Services Program sold by Company, and that individual's Dependents.
- 1.6. "Dependent" means a lawful spouse and/or children of a Member whose eligibility shall be determined by Company.
- 1.7. "Panel" means the network of Participating Providers established by Cigna Dental.
- 1.8. "Discount Services Program" means any product, plan or program designed, marketed, sold and/or administered by Company that includes the Dental Discount Plan in accordance with the terms and conditions of this Agreement.

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- 1.9. "<u>Discounted Fee-For-Service</u>" means a discounted rate for a specific Dental Service which has been previously negotiated between Cigna Dental and individual General Dentists and Participating Specialists pursuant to a fee schedule (which rate may vary among General Dentists and Participating Specialists, respectively).
- 1.10. "General Dentist" means a dentist participating on the Panel that provides general dentistry services.
- 1.11. "<u>Participating Specialist</u>" means a dentist participating on the Panel that possesses specialized training in Oral Surgery, Orthodontics, Periodontics, Pedodontics, or Endodontics and providing Dental Services in such specialty.
  - 1.12. "Subscription" means participation in the Dental Discount Plan as a Member.
- 1.13. "Dental Network Access Fee" means the fee paid to Cigna Dental for providing Members access to the discounts available from its Panel as set forth in Section 4 herein.
- 1.14. "<u>Provider Agreement</u>" means the agreement by which Cigna Dental has contracted with each and every General Dentist and Participating Specialist.

## 2. TERMS AND CONDITIONS FOR PURCHASE/INCLUSION OF DENTAL DISCOUNT PLAN IN ANY DISCOUNT SERVICES PROGRAM

- 2.1 Company is permitted to include the Dental Discount Plan in a Discount Services Program only upon receiving the prior written approval of Cigna Dental and after the submission to Cigna Dental of all of the following information related to each such Discount Services Program:
- (a) A description of all other discount services or benefits being offered as part of the Discount Services Program, including services or benefits provided without a fee or charge.
- (b) A list of the companies, or legal entities, providing each of the discount services or benefits of the Discount Services Program.
  - (c) The refund policy and procedures of the Discount Services Program.
- (d) Copies of all materials Members will receive upon enrollment in the Discount Services Program that are related to the Dental Discount Plan, including a copy of the Member identification card.
- (e) Any and all marketing, advertising or other promotional materials and content, however produced or utilized, related to the Discount Services Program.

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(f) The Member services policies and procedures related to the Discount Services Program including inquiry and complaint handling procedures, timeline metrics and documentation processes.

Company is prohibited from selling, reselling, private labeling or allowing third party access to the Discount Services Program without written approval from Cigna Dental of such actions.

- 2.2 Company has provided Cigna Dental with it licensing process for brokers, agents consultants and other third parties who market the Dental Discount Program. Company shall provide ten (10) days prior notice to Cigna Dental of any proposed changes, amendments, additions or deletions to any and all such information, content and materials described in this Section and above in Section 2.1. If Cigna Dental, in its sole discretion, determines that any of the proposed changes, amendments, additions or deletions is not consistent with, or does not meet the standards of its Dental Discount Plan in any way, Cigna Dental may immediately revoke Company's right to purchase and include the Dental Discount Plan in any Discount Services Program to which the proposed changes, amendments, additions or deletions are being made.
- 2.3 Company shall directly provide all of the administrative services required by Section 3 of this Agreement for the Dental Discount Plan. Company may not assign, delegate, transfer or otherwise arrange for any third party to perform or provide any of the administrative services described in Section 3 without prior written consent from Cigna Dental.
- 2.4 Company shall have written and properly executed contracts with all brokers, agents, consultants or other third parties that are engaged in the marketing, advertising, or promoting of the Discount Services Program. Company shall provide copies of such agreements to Cigna Dental upon request.
- 2.5 Company shall be solely responsible for the conduct of all of its employees, brokers, agents, consultants, or other third parties engaged in the marketing, advertising, promoting, or administration of the Discount Services Program.
- 2.6 Company shall be solely responsible for assuring that Company and all brokers, agents, consultants or other third parties engaged in the marketing, advertising, promoting, or administration of the Discount Services Program are (i) legally admitted to do business where required by law; and (ii) hold and maintain in force for the duration of this Agreement, any and all licenses, registrations and approvals necessary to transact business and to perform the services required of it in those jurisdictions where it conducts its business.
- 2.7 Company shall be solely liable, and expressly agrees to hold Cigna Dental harmless, for any and all fines, penalties or other demands, in any form, for monetary damages or compensation related to the marketing, advertising, promoting, or administration of any Discount

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Services Program.

#### 3. ADMINISTRATIVE SERVICES TO BE PROVIDED BY COMPANY

- 3.1 Company agrees to provide prompt, courteous, efficient and professional efforts when promoting, enrolling prospective Members in, and administering the Discount Services Program. Company further agrees to devote time, energy and attention to the duties specified in this Agreement.
- 3.2 Company acknowledges that Cigna Dental has invested an enormous amount of resources in creating and maintaining its Panel. Company further acknowledges that Cigna Dental has entered into this Agreement, in large part, on the premise that offering access to the discounted fee-for-service fee schedule rates of its Panel to Members will create little dissatisfaction with the Participating Providers. It is also upon this premise that Cigna Dental has agreed to license its registered trademark. In recognition of the foregoing, Company agrees to perform all activities required to administer all aspects of the Dental Discount Plan in strict conformance with the requirements of this Agreement and to assure that all other additional services or benefits offered by or included in the Discount Services Program are administered in a prompt, courteous, efficient and professional manner.
- 3.3 <u>Member Identification Cards and Member and Participating Provider Communications</u>. As part of administering the Dental Discount Plan, Company shall meet all of the following requirements related to information disclosure and communication with Members and Participating Providers and provide all Members an identification card that:
- (a) Clearly states that the Member is directly responsible for all payment to the Participating Provider.
  - (b) Clearly states in bold and prominent type:

#### "THIS IS NOT INSURANCE."

- (c) Contains the Cigna Dental Mark.
- (d) Includes a toll-free telephone number
- (e) The identification card shall either depict a stated expiration date which date shall not be more than twenty-four (24) months from the date of issuance of the card to the Member or shall include a prominently displayed toll-free telephone number with explicit instructions informing Participating Providers of the need to, and steps required to verify Member eligibility which Company commits to staff and manage pursuant to the requirements contained in Section 3.4 below to handle all calls related to eligibility from Participating Providers, Members and prospective Members. When Member identification cards do not depict

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a stated expiration date, other written materials distributed to each Member must fully explain the eligibility process.

- (f) Company shall also clearly inform each Member, either on the identification card or in other written material distributed to each Member, of all of the terms and conditions related to the Dental Discount Plan contained in Exhibit C attached hereto.
- 3.4 <u>General Member Services</u>. As part of administering the Dental Discount Plan, Company shall perform all of the following activities and meet all of the following requirements:
- (a) Pick up mail daily at any Post Office Box maintained and/or utilized for the Dental Discount Plan. Company further agrees to implement date stamp procedures which insure each piece of mail is date stamped with Company's name and the month, day and year.
- (b) Issue fulfillment material to each Member, which at a minimum, meets all of the requirements set out in Section 3.3 above, within ten (10) business days of receipt of an approved enrollment form.
- (c) Retain return mail envelopes for a minimum of ninety (90) days after reasonable attempts are made to locate a Member.
- (d) Update its records and systems to reflect any and all changes to Cigna Dental's Panel of Participating Providers within seventy-two (72) hours of receipt of such information from Cigna Dental to allow Company to provide Members accurate information about the Dental Discount Plan.
- (e) Company shall cooperate with Cigna Dental to respond to and resolve all inquiries and complaints from prospective Members and Members. Company agrees to provide Cigna Dental copies of and access to all records, correspondence, documentation or other materials created and maintained pursuant to this Section 3.4(f) at all times, including after the termination of this Agreement.
- (f) Company shall cooperate with Cigna Dental to respond to and resolve all inquiries and complaints from Participating Providers. Company agrees to provide Cigna Dental copies of and access to all records, correspondence, documentation or other materials created and maintained pursuant to this Section 3.4(h) at all times, including after the termination of this Agreement.
- (g) Company shall cooperate with Cigna Dental in preparing responses to any notice of litigation, complaint or other correspondence from a Member, Participating Provider, regulatory body or other third party that Cigna Dental receives directly in connection with any Discount Services Program.
  - (h) Maintain a record of each Member, which includes the number of

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 individuals covered under a Subscription and each such individual's eligibility status to receive access to the discounts available under the Dental Discount Plan.

- (i) Submit to Cigna Dental a Monthly Marketing Report that lists each Discount Services Program and that includes the number of Subscriptions and the number of individuals eligible under each Subscription in each Discount Services Program and the company or legal entity contracted to sell each program and the corresponding number of Subscriptions each seller is responsible for under each Discount Services Program, in the format outlined in Exhibit H attached hereto. This report shall also indicate whether each Subscription was purchased on an annual fee basis, a monthly fee basis, or some alternative fee arrangement basis.
- (j) Report to Cigna Dental, within twenty-four (24) hours of receipt, all notices of litigation or notices, inquiries complaints or other correspondence from any regulatory agency that are related in any way to the Dental Discount Plan. Company shall attach to such reports any and all information from its records relevant to the matter.
- 3.5 <u>Member Billing, Collection, Remittance and Reporting.</u> Company agrees to collect all fees in connection with its sale of all Discount Services Programs and to remit to Cigna Dental the Dental Network Access Fee pursuant to Section 4 of this Agreement. Company shall keep records clearly identifying each Subscription sold and recording all deposits from fees collected for each such sale. Company shall promptly obtain and keep copies of all such records and upon request shall furnish Cigna Dental with copies of records pertaining to deposits on behalf of or for each Subscription. Company may not withhold any fees due and owing to Cigna Dental under this Agreement in the event of a dispute, offset, or counter-claim between the parties or third persons.

#### 4. <u>DENTAL NETWORK ACCESS FEE</u>

A.1 Dental Network Access Fee. Company agrees to pay Cigna Dental the Dental Network Access Fee for each Subscription according to the Fee Schedule attached hereto as Exhibit A. The number of Subscriptions will be calculated by Company on the last business day of each month. The Dental Network Access Fee will be determined by the aggregate number of existing Subscriptions calculated each month by Company. The Dental Network Access Fee shall be due on the fifteenth (15<sup>th</sup>) day of the following month and delivered to Cigna Dental together with an enrollment report, in the format and containing the information in Exhibit H attached hereto, reflecting the Subscription calculation data for the current month of service for which the Dental Network Access Fee was paid. Company is solely responsible for verification of the number of Subscriptions. The data provided monthly shall reflect additions, changes and deletions. If a Subscription is cancelled on or before the last business day of the month, there shall be no Dental Network Access Fee due and payable for the month in which that Subscription is terminated.

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- 4.2 <u>Retroactive Changes in Eligibility.</u> Cigna Dental shall have no obligation to accept retroactive changes in eligibility. In the event, however, that Cigna Dental is notified by Company that a Member has died, and the death of that Member effectively terminates that Subscription, then Company shall be refunded any fees previously paid to Cigna Dental for the period subsequent to the date of such death provided that Company notifies Cigna Dental and provides reasonable documentation within ninety (90) days of the Member's death.
- 4.3 Audit. Company shall maintain complete, legible and accurate records with respect to the number of Subscriptions in effect. Cigna Dental shall have the right, through its designated representatives, to examine and audit, at all reasonable times but not more than once in a six month period, all such records and accounts as may contain information bearing upon Cigna Dental's entitlement to payment hereunder. As a penalty for gross under reporting, Cigna Dental will be entitled to compensation for such under reported Subscriptions, and Cigna Dental shall be entitled to an additional fee of one hundred percent (100%) of the underreported amount, if the underreported amount is more than ten percent (10%) of the reported amount.

#### 5. ADVERTISING, REFERENCES AND TRADEMARKS

- 5.1 <u>General</u>. No advertising, promotional, or other materials using or referring to the name, address, telephone number, service mark, trademark or description of facilities or services of Cigna Dental, Company or a Participating Provider shall be released without the identified person, entity, or party's prior written consent.
- 5.2 <u>Materials</u>. Any materials describing the Dental Discount Plan that Company intends to make available to Members shall be delivered to Cigna Dental for its prior review and approval, which approval it shall grant in its sole and absolute discretion. Any and all use of the Cigna Dental Mark shall be subject to prior approval of Cigna Dental and appear with the registration symbol "®" immediately following the Mark. Company shall display the Cigna Dental Mark only as it appears on Exhibit B attached hereto.
- 5.3 <u>Cigna Dental Marks</u>. Cigna Dental hereby grants to Company a non-exclusive, non-transferable, non-sub-licensable, license in the United States during the Term of this Agreement to use, reproduce, distribute and display the Cigna Dental Marks as set forth in this Agreement. Cigna Dental shall furnish Company with a representation of each Cigna Dental Mark in an appropriate form upon request from Company. If Cigna Dental subsequently modifies any representation of a the Cigna Dental Mark, it shall furnish a representation of such modified Cigna Dental Mark to Company, and Company shall substitute for the prior version within five (5) days of receipt thereof. Cigna Dental shall have final approval over all the Cigna Dental Marks utilized by Company, which approval shall not be unreasonably withheld or delayed.
- 5.4 <u>Trademark Quality Control.</u> Cigna Dental shall have the right to exercise quality control over the use of its Trademarks by Company, including but not limited to inspection of

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materials that bear the Cigna Dental Trademarks and the quality of service being provided in connection therewith, to the degree necessary to maintain the validity and enforceability of such Trademarks and to protect the goodwill associated therewith as defined in Cigna Dental's sole discretion. Company shall adhere to a level of quality at least as high as that used by Cigna Dental and its affiliates in connection with use of Cigna Dental Trademarks. If Cigna Dental, in its reasonable opinion, finds that use of the Cigna Dental Trademark by Company materially threatens the goodwill of such Trademark, Company shall, upon notice from Cigna Dental, immediately, and no later than ten (10) days after receipt of such notice, take all measures reasonably necessary to correct the deviation(s) or misrepresentation(s) in, or misuse of, the applicable Cigna Dental Trademark.

- 5.5 Trademark Rights. Company agrees that it will not assert any interest or property rights in any of the Cigna Dental Marks; all uses of the Cigna Dental Marks by Company shall inure to the benefit of and be on behalf of Cigna Dental and its affiliates; and nothing in this Agreement shall give the Company any interest in the Cigna Dental Marks other than the right to use the Cigna Dental Marks during the Term in accordance with this Agreement. Company shall neither attempt to register the Cigna Dental Marks alone or as part of the Company's Mark nor use or attempt to register any Trademarks confusingly similar to the Cigna Dental Marks.
- 5.6 Material Breach. Company acknowledges that a material breach by Company of any of its covenants, obligations or undertakings pursuant to this Section 5 shall cause Cigna Dental and its affiliates irreparable damage that cannot be readily remedied in monetary damages in an action at law, thereby entitling Cigna Dental or its affiliates, as applicable, to equitable remedies, including but not limited to temporary or permanent injunctive relief, costs and reasonable attorneys' fees. All right, title and interest in and to Cigna Dental Marks other than the specific rights granted to Company in this Agreement are retained by Cigna Dental and its affiliates for their own use or license to others.

## 6. <u>REPRESENTATIONS AND WARRANTIES OF CIGNA DENTAL AND THE TERMS AND CONDITIONS OF THE DENTAL DISCOUNT PLAN</u>

- 6.1 <u>Representations and Warranties.</u> Cigna Dental represents and warrants that it has the authority to enter into this Agreement and that each Participating Provider contracted with Cigna Dental to render is, to the best knowledge of Cigna Dental, duly licensed to practice dentistry and is credentialed by Cigna Dental. Cigna Dental, or its designee, shall be solely responsible for credentialing Participating Providers.
- 6.2 <u>Participating Provider Status</u>. Cigna Dental shall notify Company of the addition or termination of Participating Providers to/from the Panel on a weekly basis. This will be communicated to Company via a weekly electronic file containing any changes to the Panel, which Company commits to utilize to update Company files within seventy-two hours of receipt pursuant to Section 3.4(d) of this Agreement. Only Participating Providers are obligated to provide Members the agreed upon discounted fee-for-service fee schedule rates.

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- Fee Schedule Information. Company acknowledges that the Cigna Dental fee schedule information is highly confidential and proprietary and commits to fully protecting such information from any and all disclosures by implementing all reasonable administrative, physical and technical safeguards to protect such information from unauthorized access during the Term of this Agreement should Company have access to such information. If applicable, Company also agrees to return all Cigna Dental fee schedule information and to delete and erase from all Company systems or files all Cigna Dental fee schedule information and certify to Cigna Dental that it has deleted or erased all such information upon the termination of this Agreement. Company will not develop products, reports or analysis using or containing the Cigna Dental fee schedule information for any purpose. Company agrees to report to Cigna Dental any security breach of the information of which it becomes aware as soon as practicable. The parties agree that all Cigna Dental fee schedule information disclosed under this Agreement (including but not limited to information incorporated in computer software or held in electronic storage media) shall be and remain the property of Cigna Dental. Further, the parties specifically agree that money damages would not be a sufficient remedy for any breach of Company's protection of the Cigna Dental fee schedule information by Company and, as such Cigna Dental shall be entitled to specific performance as a remedy for any such breach in addition to all other remedies available at law or in equity.
- 6.4 <u>No Guarantee of Utilization</u>. Cigna Dental acknowledges that Company neither warrants nor guarantees to Cigna Dental that the Panel will be utilized by a Member or any number of Members.
- 6.5 <u>Cooperation</u>. Company will determine the eligibility of Members under criteria developed by Company.

#### 7. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

- 7.1 <u>Representations and Warranties</u>. Company represents and warrants that:
  - (a) it has the authority to enter into this Agreement,
  - (b) the individual executing on behalf of Company is fully authorized to do so,
- (c) it has and agrees that it will maintain for the duration of this Agreement, at its own expenses, adequate business premises, sufficient qualified and experienced personnel, and sufficient equipment, including data processing hardware and software, to perform the services that are the subject matter of this Agreement,
- (d) Company is legally admitted to do business where required by law, and that its officers and employees have obtained, now hold and will maintain in force for the duration of this Agreement, any and all licenses, registrations and approvals necessary to transact

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business and to perform the services that are the subject matter of this Agreement as may be required of it in those jurisdictions where it conducts its business,

- (e) the conducting of Company's business has not been and shall not be in violation of any federal, state or local law or ordinance, and
- (f) no individual party, business entity or governmental agency has ever alleged that Company's business or the manner in which it is operated, is in violation of any federal, state or local law or ordinance or in violation of any contract.
- 7.2 Covenant Not to Tamper. During the term of this Agreement and for a period of twelve (12) months after termination of this Agreement, Company will not, directly or indirectly, through or on behalf of itself or any other entity or individual, solicit or contract with, or attempt to solicit or contract with, any Participating Provider to provide Dental Services to any Member or to contract with or join any dental panel or network other than Cigna Dental Panel without the prior written consent of Cigna Dental. This provision shall survive termination of this Agreement. This covenant is an integral part of this Agreement and shall be deemed to have been made at the time this Agreement was entered into by the parties hereto. Further, Company agrees that this covenant is fair and reasonable in its geographical area, duration and scope of activity being restrained.

#### 8. PATIENT RECORDS AND CONFIDENTIALITY

- 8.1 Property of Participating Providers. Except as expressly set forth in this Agreement, the dental records of Participating Providers shall be and remain their property and shall not be removed or transferred from their custody or control except in accordance with applicable law. Notwithstanding the above and subject to applicable disclosure and confidentiality laws, upon the request of a Member (or the Member's parent or legal guardian) or pursuant to the consent of a Member (or consent of the Member's parent or legal guardian), Participating Providers have agreed with Cigna Dental to promptly provide Member, other providers and/or third parties, the Member's dental records or copies thereof at no more than the reasonable and customary cost.
- 8.2 <u>Company Business Information</u>. Cigna Dental may, from time to time, receive confidential and proprietary business information from Company. Such information shall be maintained as confidential and proprietary and shall not be made available for review and/or duplication unless so specified by Company or otherwise required by law. Cigna Dental will not provide any Member information to any third party for the purposes of solicitation. This confidentiality provision shall remain in effect notwithstanding termination of this Agreement.
- 8.3 <u>Cigna Dental Business Information</u>. Company and its Members may, from time to time, receive confidential information and proprietary business information from Cigna Dental. Such information shall be maintained as confidential and proprietary and shall not be

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made available for review and/or duplication unless so specified by Cigna Dental or otherwise required by law. This provision shall survive termination of this Agreement.

8.4 <u>Member Information</u>. Company shall keep confidential all information regarding Members that Company obtains as a result of a Member's enrollment in the Dental Discount Plan, including, but not limited to names and addresses, and shall use such information solely to carry out its obligations under this Agreement. Company will not provide or sell any Member information to any third party for the purposes of any solicitation.

#### 9. RELATIONSHIP BETWEEN THE PARTIES

- 9.1 <u>Independent Relationship.</u> No provision of this Agreement is intended to create nor shall be deemed or construed to create any relationship between Company and Cigna Dental other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. The parties hereto are not and shall not be deemed for any purpose to be joint venturers. Neither of the parties to this Agreement nor any of their respective officers, directors, or employees shall hold themselves out as the employee, partner, or agent of the other party and shall not be deemed or construed to be the agent, employee or partner of the other party. Neither Cigna Dental nor Company is authorized to represent the other for any purpose whatsoever without the prior written consent of that party.
- 9.2 <u>No Contract of Employment Exists.</u> This Agreement is not a contract of employment and nothing herein contained shall be construed to create the relationship of employer and employee between Cigna Dental and Company or any of their respective officers, employees or agents.
- 9.3 Exclusivity. This Agreement is not intended to create an exclusive relationship between Cigna Dental and Company with respect to the sale of the Dental Discount Plan. Both Cigna Dental and Company shall be free to pursue opportunities with other administrators and companies with respect to programs similar to the Dental Discount Plan. However, in the event that Company shall decide to enter into a simultaneous agreement with another Company offering a similar dental discount program, Cigna Dental shall reserve the right to reevaluate this Agreement pursuant to its best interests and subject to the Termination section noted below.

#### 10. TERM AND TERMINATION

10.1 Term. This Agreement shall become effective on the date of this Agreement as set forth above, even though it may be signed prior, or subsequent, thereto. This Agreement shall continue in force for a period of twelve (12) months. Thereafter, this Agreement shall automatically renew for successive terms of twelve (12) months unless written notice of non-renewal is given by either party at least ninety (90) days prior to the renewal date or this Agreement is otherwise terminated as provided for herein.

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#### 10.2 Termination.

- (a) Notwithstanding any other term or provision hereof, this Agreement may be terminated at any time after the initial twelve (12) month period by either Cigna Dental or Company without cause by written notice via certified mail, return receipt requested, to the other party at least one hundred and eighty (180) days in advance of the effective date of termination without the consent of or notice to any Member, Participating Provider, or other third party. Upon termination, Cigna Dental will have no obligation to allow new Members access to the Panel. After termination pursuant to this Section 10.2(a), and contingent upon Company continuing to pay the Dental Network Access Fees required by Section 4.1 to Cigna Dental, Cigna Dental will continue to allow Members, who were enrolled prior to termination, access to the Panel under the Dental Discount Plan until the earlier of: (i) the renewal date of Company's contract with the group customer of which such Member is a part of, or (ii) twelve (12) months.
- (b) Cigna Dental may terminate this Agreement upon written notice to Company, in the event that Company fails to pay any amount due Cigna Dental within thirty (30) days of the due date. Company shall have the right to take action to remove the grounds for termination and make Cigna Dental whole by paying such amount past due within thirty (30) days of receipt of notice of termination along with any other fees owed to Cigna Dental at that time, in which case this Agreement shall be reinstated.
- (c) Cigna Dental may terminate this Agreement immediately upon written notice to Company upon the occurrence of any one or more of the following:
- (i) Dissolution of Company, or revocation, suspension or termination of any required license or registration held by, or required to be held by Company to perform any of the services or activities required by this Agreement.
- (ii) Misappropriation of funds or property of Cigna Dental by Company; failure of Company to remit funds due Cigna Dental upon demand; or commission by Company of any fraud against Cigna Dental.
  - (iii) Material breach by Company of any provision of this Agreement.
- (d) In the event Cigna Dental exercises its right to terminate pursuant to Sections 10.2(c)(iii) above, Cigna Dental shall notify Company in writing of its intent to terminate and shall state the grounds therefore. In the event the loss or damage to Cigna Dental is capable of being fully cured by Company, then Company shall have the right to take action to remove the grounds for cause to Cigna Dental's satisfaction and to make Cigna Dental whole within thirty (30) days, in which case this Agreement shall be reinstated. In the event that Company fails to promptly pay the Dental Network Access Fee resulting in Cigna Dental providing such notice more than twice in any twelve (12) month period, the cure period for any subsequent failure to pay the Dental Network Access Fee shall be permanently reduced to five

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(5) days.

- (e) Either party may terminate this Agreement at any time without advance written notice upon the occurrence of a bankruptcy event. A bankruptcy event occurs if:
- (i) the other party suspends or goes out of business, substantially reduces business operations, becomes insolvent or unable to meet its debts as they mature, calls a meeting of its creditors, sends notice of a proposed bulk sale of all or a substantial part of its business, makes any general assignment for the benefit of its creditors, or commits an act of bankruptcy; or
- (ii) any petition is filed by the other party initiating a bankruptcy, arrangement, reorganization, or other proceeding under any provision of the U.S. Bankruptcy Code or similar law or such a proceeding is filed against such party and is not removed or discharged within sixty (60) days after the filing thereof; or
- (iii) a receiver or trustee is appointed for the other party or for any or all of its property.
- (f) Termination shall be without prejudice to any cause of action occurring prior to the effective date of such termination. Termination shall not affect any provision of this Agreement, which by its terms would survive such termination.
- 10.3 <u>Immediate Termination</u>. This Agreement shall be terminated immediately if all or substantially all Participating Providers terminate participation in the Panel or in the event of the passage of a law or promulgation of a regulation or action or investigation by any regulatory body which would prohibit or materially or adversely affect this Agreement or the benefit of this Agreement by either party, the relationship between the parties, or operations of Cigna Dental or Company with regard to the subject of this Agreement. Notice of immediate termination shall be in writing via certified mail, return receipt requested, effective upon receipt or as otherwise designated in writing.
- 10.4 Requests for Participating Provider Termination. In cases where Company determines in good faith the health, safety or welfare of its Members is jeopardized by a Participating Provider under this Agreement, Company may request termination of such provider's participation under this Agreement by written notice to Cigna Dental specifying the basis for the request and the specific facts and circumstances justifying such request, subject to applicable disclosure and confidentiality laws, via certified mail, return receipt requested.
- 10.5 <u>Exclusion of Participating Providers.</u> If Company determines that it does not want Members to have access to a Participating Provider, Company shall be responsible for removing that Participating Provider from the list of providers furnished by Cigna Dental, as well as any other materials distributed to Members.

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- 10.6 <u>Rights After Termination</u>. Termination of this Agreement shall have no affect upon the rights and obligations of the parties hereto, Participating Providers, or Members arising out of any transactions occurring prior to the effective date of termination of this Agreement or termination of his or her participation under this Agreement. Dental Services to be rendered will continue to be governed by the applicable terms of this Agreement for the duration of the treatment of the condition existing as of the date of termination.
- 10.7 <u>Abandonment</u>. Nothing herein shall be construed as authorizing or permitting a Participating Provider to abandon any Member prior to termination of this Agreement. However, access to the Panel and Discounted Fee-For-Service shall be limited as provided in Section 10.2(a). Members are not to be solicited directly or indirectly by Cigna Dental or any of its agents, contractors or other business entities prior to termination of this Agreement.

#### 11. INDEMNITY

- 11.1 EACH PARTY WILL AND DOES HEREBY INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY, ITS PARENT AND AFFILIATED CORPORATIONS, AND EACH OF THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND REPRESENTATIVES, FROM AND AGAINST ACTUAL LOSSES OR DAMAGES SUFFERED AS A RESULT OF ANY AND ALL CLAIMS OR ACTIONS ASSERTED BY A THIRD PARTY, WHETHER GROUNDLESS OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL ACTIONS, CAUSES OF ACTION, SUITS, JUDGMENTS, LOSSES, DAMAGES, COSTS, LIENS, CHARGES, COURT COSTS, REASONABLE ATTORNEY FEES, AND LIABILITIES, OCCASIONED BY, RESULTING FROM, ARISING OUT OF, ANY ACT OR OMISSION OF THE INDEMNIFYING PARTY, ITS EMPLOYEES, OFFICERS, DIRECTORS, AGENTS OR REPRESENTATIVES, OR ANY OF THEM, IN PERFORMANCE OF THIS AGREEMENT OR ANY FAILURE OF THE INDEMNIFYING PARTY TO COMPLY WITH THE TERMS OF THIS AGREEMENT. FOR PURPOSES OF THIS PARAGRAPH, THE PARTIES MUTUALLY AGREE AND ACKNOWLEDGE THAT ARE EMPLOYEES. **AGENTS** PARTICIPATING **PROVIDERS** NOT REPRESENTATIVES OF CIGNA DENTAL, AND THAT CIGNA DENTAL NEITHER MANAGES PARTICIPATING PROVIDERS PRACTICES NOR DOES IT HAVE OVERSIGHT RESPONSIBILITY WITH RESPECT TO PARTICIPATING PROVIDERS CLINICAL DECISIONS. THE ACTS AND PRACTICES, INCLUDING TREATMENT OUTCOMES ARE SPECIFICALLY EXCLUDED FROM THE SCOPE OF THIS PARAGRAPH.
- 11.2 EACH PARTY WILL NOTIFY THE OTHER PARTY OF ANY CLAIM, DEMAND, SUIT OR THREAT OF SUIT FOR WHICH IT INTENDS TO SEEK INDEMNIFICATION UNDER THIS SECTION PROMPTLY UPON RECEIPT OF NOTICE OF ANY SUCH CLAIM, DEMAND, SUIT OR THREAT OF SUIT. NEITHER PARTY WILL SETTLE AN INDEMNIFIED CLAIM WITHOUT THE CONSENT OF THE INDEMNIFIED PARTY. WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD OR

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DELAYED.

- 11.3 WITH RESPECT TO ANY CLAIM, DEMAND, SUIT OR THREAT OF SUIT FOR WHICH A PARTY TO THIS AGREEMENT INTENDS TO SEEK INDEMNIFICATION UNDER THE PROVISIONS OF THIS SECTION, THAT PARTY SHALL HAVE THE RIGHT TO APPROVE LEGAL COUNSEL USED FOR ITS DEFENSE AND SUCH APPROVAL WILL NOT BE UNREASONABLY WITHHELD OR DELAYED. IN ADDITION, EACH PARTY TO THIS AGREEMENT CONSENTS TO PERSONAL JURISDICTION WHERE ANY SUCH SUIT IS BROUGHT AND CONSENTS TO BEING NAMED AS AN ADDITIONAL OR THIRD PARTY DEFENDANT IN ANY SUCH SUIT.
- 11.4 THE PROVISIONS OF THIS SECTION WILL SURVIVE TERMINATION OF THIS AGREEMENT.

#### 12. GENERAL PROVISIONS

- 12.1 Arbitration. Any dispute between the parties under this Agreement which the parties are unable to resolve shall be submitted to binding arbitration. Each party shall appoint an arbitrator (who cannot be an officer, director or employee of that party or any affiliate) and the two arbitrators shall select a third. If either party fails to appoint an arbitrator, or if the two arbitrators chosen by the parties cannot agree on the third arbitrator, then each arbitrator shall select a nominee and, if the number of nominees exceeds the number of arbitrators required, lots shall be drawn. Arbitration shall be on brief and no discovery shall be allowed except as ordered by the arbitrators. No hearing shall be held unless ordered by the arbitrators; such hearing shall be held by telephone or at a location chosen by the arbitrators. The arbitrator need not observe judicial formality and strict rules of evidence, and they shall make their award from a standpoint of practical business and equity rather than strict law. The decision of a majority of the arbitrators shall be binding without appeal and may be enforced in any court with jurisdiction of the parties. The cost of the arbitration, including the fees of the arbitrators, shall be borne equally by both parties unless the arbitrators shall decide otherwise. In no event, shall either party be responsible for the cost of the other party's legal expenses incurred in connection with the arbitration proceedings, including but not limited to the cost of lawyers, para-professionals, experts, examinations, investigations, preparation of materials, printing and/or photocopying.
- 12.2 <u>Notices</u>. Any notice to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed delivered upon personal delivery against written receipt or when mailed by certified mail, return receipt requested, postage prepaid to the receiving party at such party's address set forth on the signature page of this Agreement, which address for notice may be changed by either party by written notice under this Agreement.
- 12.3 <u>Amendments</u>. This Agreement and any documents incorporated by reference herein constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior written or oral understanding. Except as otherwise provided in this

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Agreement, no change or amendment to this Agreement shall become effective unless and until it is reduced to writing and signed by both parties.

- 12.4 <u>Third Parties</u>. This Agreement is entered into by and between Cigna Dental and Company. Except as specifically provided in this Agreement, there is no intent by either party to create or establish third party beneficiary status or rights or their equivalent in any Member, Participating Provider, subcontractor or other party which may be affected by the operation of this Agreement.
- 12.5 <u>Nonassignability</u>. This Agreement may not be assigned, delegated, or transferred by either Cigna Dental or Company without the express written consent of the other party; provided however, that either party may assign this Agreement to an affiliated entity, subsidiary, or parent company without the other party's consent, upon written notification of the assignment.
- 12.6 <u>Governing Law</u>. This Agreement shall be governed in all respects by the laws of the State of Connecticut.
- 12.7 <u>Legal Compliance</u>. Cigna Dental and Company shall comply with all applicable federal, state, local and municipal laws, orders and regulations relating to the subject matter of this Agreement.
- 12.8 Severance of Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision has never comprised a part hereof and the remaining provisions shall remain in force and effect, unaffected by such severance subject to the terms of Section 10.3 herein.
- 12.9 <u>Waiver</u>. The waiver by either Cigna Dental or Company of any breach of any provision, warranty, or representation set forth in this Agreement shall not be construed as a waiver of any subsequent breach, and shall not constitute a waiver of that party's right to thereafter require strict compliance by the non-complying party. The failure to exercise any right or remedy hereunder shall not operate as a waiver of such right and shall be without prejudice to the exercise by the party of that or any other right or remedy under this Agreement. All rights and remedies provided for in this Agreement are cumulative.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO FOLLOW]

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IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the date first written above.

Company:	
Health Plan Intermediaries Holdings, LLC., dl	oa Health Insurance Innovations (HII)
By: May L. Rackers Name: GARY L. RAECKERS	
Name: GARY L. RAECKERS	
Title: COD	
Address for Notice:	
SUITE 201 TAMER FL 38613	
SUITE 201	
TAMER FL 38613	
Cigna Dental: <u>Connecticut General Life Insurance Company</u> and Cigna Dental Health, Inc., on behalf of the	, Cigna Health and Life Insurance Company mselves and their subsidiaries and affiliates
By: Mame: Nawey VASTA  Title: Product Director	Ву:
Name: Nawcy VASTA	Name:
Title: Product Director	Title:
Address for Notice:	
900 Cottage Grove Rd	
Bloomfield, CT 06152	

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# EXHIBIT A

# **Dental Network Access Fee**

The Dental Network Access Fee shall be payable monthly, as provided in Section 4, and calculated as follows:

Number of Aggregate Subscriptions in the	Monthly Fee Per Subscription
Dental Discount Plan	
1-10,000	\$1.20
10,001-100,000	\$1.00
101,000+	S.80

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### **EXHIBIT B**

# CIGNA Dental Mark



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#### EXHIBIT C

# TERMS AND CONDITIONS OF THE DENTAL DISCOUNT PLAN

The Cigna Dental Network Access plan is **not an insurance program** and is not protected by any state Life and Health Guaranty Association.

Cigna Dental Network Access (DNA) is a discount dental plan that provides members access to discounts pursuant to fee schedules negotiated by Cigna Dental with participating providers.

The discounts available under the Cigna Dental Network Access plan may not be used in conjunction with any other discount program or insurance program.

The amount of discount will vary among participating providers and those procedures not included on the negotiated fee schedule may not be subject to a discount.

The Cigna Dental Network Access plan does not provide or guarantee the provision of any dental care or service and Cigna Dental shall not be liable for the payment of any fees or charges for dental care or services to members, participating providers or otherwise.

Members are responsible for paying all applicable fees and charges directly to the dentist at the time of visit.

In order for an individual to have access to the discounts available under the DNA plan he/she must be enrolled in and deemed an eligible member of the DNA plan at the time the underlying dental service or product is actually received.

The network of contracted providers participating in the Cigna Dental Network Access plan is subject to change and members are responsible for verifying that a specific provider is participating in the DNA plan immediately prior to receiving each and every service.

Although all providers participating in the DNA network go through a credentialing process to assure that they are appropriately licensed and qualified, Cigna Dental does not otherwise guarantee nor is it responsible for the quality of any services or products purchased by members.

Cigna Dental may delegate responsibility to perform any of its obligations to administrators as it deems necessary. Any administrators and all participating providers are independent contractors and they shall not be deemed for any purpose to be employees, partners or joint ventures with Cigna Dental.

Cigna Dental refers to the following operating subsidiaries of Cigna Corporation: Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company and Cigna Dental Health, Inc., and its operating subsidiaries and affiliates.

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# EXHIBIT D

# MONTHLY ENROLLMENT REPORT TO BE SUBMITTED WITH THE DNA FEES

Client or Group Name	Broker or Seller Name	Program Name	Enrolled Members	Rate		mber uctur		Effective Date	Amount Billed	Amount Collected	Amount Due (Current Month)	Amt Reed for Prior Periods	Past Due Balance
					A n n.	M o n.	Other					tendes	

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Remote User

# Remote User

**■Job 50144 ⊕01/24/13 07:49 AM** 



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### **Member Counts Now**

Request Date Requester Business Category Account Sales Office Palladino, Gregg P End State 3329343 332 - Phoenix 01/24/2013

3329343 COMMUNITY LEGAL SERVICES, INC. Account

Member Counts taken at: 01/24/2013 1:53:40 AM

State

Branch Ben Opt

Member counts may be retrieved in any combination of Branch, Benefit Option, and/or Resident State.

< Previous

Stance Sen Opt State	Get Counts	Print				
Branch Brar	nch Name Benefi Option	" Renetit Ontion Name	Resident State	Subscriber Count	Dependent Count	Member Count
ACTIVE ALL ACTIVE EMPI	LOYEES HMOE	HMO HOSP & PHYSICIAN COPAY/COINS PLAN B	AZ	24	15	39
ACTIVE ALL ACTIVE EMPI	LOYEES OAPB	OPEN ACCESS PLUS BUY UP PLAN	ΑZ	33	17	50
ACTIVE ALL ACTIVE EMPE	LOYEES OAPB	OPEN ACCESS PLUS BUY UP PLAN	CA	0	1	1
COBRA ALL COBRA PART	TICIPANTS OAPB	OPEN ACCESS PLUS BUY UP PLAN	AZ	2	3	5

#### ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (this "Agreement"), effective November 5, 2014, is made by and between Health Plan Intermediaries Holdings, LLC, a Delaware limited liability company ("Administrator"), and United Service Association For Health Care, a Washington, D.C. corporation ("Company").

#### WITNESSETH THAT:

WHEREAS, Company is a non-profit association that provides travel, lifestyle, health, scholarship and other benefits to its members as set forth in <u>Exhibit A</u> ("<u>Products</u>") in the jurisdictions set forth in <u>Exhibit B</u> (the "<u>Service Area</u>");

WHEREAS, Administrator is a developer and administrator of web-based individual health plans and ancillary products; and

WHEREAS, on the terms and subject to the conditions contained in this Agreement, Company has agreed to provide the Products to Administrator and Administrator has agreed to provide for the development and implementation of marketing the Products to potential members ("Members");

NOW, THEREFORE, upon and in consideration of the covenants and agreements set forth in this Agreement and other valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

#### 1. APPOINTMENT; SERVICES PROVIDED

Company hereby appoints Administrator during the term of this Agreement and Administrator hereby accepts such appointment as Company's agent with respect to the Products in the Service Area. Administrator shall also assume the responsibilities and perform the services set forth this Agreement and in <a href="Exhibit C">Exhibit C</a> ("Services") with respect to the Products in the Service Area. Administrator agrees to develop and implement a strategy to market the Products to new Members in the Service Area. Notwithstanding the foregoing, Company may from time to time prescribe rules in writing respecting the requirements for Member eligibility, and Administrator agrees to implement such requirements when soliciting potential new Members.

2. **AUTHORITY OF ADMINISTRATOR**: Company authorizes Administrator to solicit potential Members for the Programs pursuant to the written guidelines provided by Company to Administrator, and in accordance with all standards as set forth in this Agreement but always taking commercially reasonably steps to do so in compliance with all applicable laws, rules and regulations in all material respects.

Administrator agrees and understands that only properly licensed insurance agents are authorized to sell the Programs within the Service Area.

## 3. COMPLIANCE WITH LAW; AGENTS AND AGENT APPOINTMENT

Administrator agrees to take commercially reasonable steps to comply in all material respects with all applicable federal, state, or local laws or regulations that apply to its business operations, including without limitation, requirements of HIPAA rules, governing privacy and security of individually identifiable health information, and to maintain all federal, state, or local licenses or permits required by law and necessary to carrying out its obligations under this Agreement.

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Company agrees to comply with all applicable federal, state, or local laws or regulations that apply to its business operations, including without limitation, requirements of HIPAA rules, governing privacy and security of individually identifiable health information, and to maintain all federal, state, or local licenses or permits required by law and necessary to carrying out the provisions of this Agreement.

To the extent that the Administrator or any of its agents makes telephone solicitations or markets via text message or facsimile, Administrator also agrees to take commercially reasonable steps to ensure compliance in all material respects with all applicable Telemarketing Rules, including Local, State, and Federal laws promulgated pursuant to the Telephone Consumer Protection Act (TCPA).

#### 4. **DUTIES OF ADMINISTRATOR**

- a. Administrator shall collect, confirm and retain licenses for all of its producers and sub-producers and shall provide this information to Company when requested.
- b. On a daily basis, Administrator shall provide Company with a list of Members enrolled in one or more of the Programs, on electronic media in a format agreed upon by the parties, which shall include the applicable producer or sub-producer's identification number; the Member's name, address, phone number, 9 digit membership account number, dependent names and birth dates of each Member who will have access to and participate in one or more of the Programs.
- c. Administrator shall bill Members on a monthly basis using only those methods previously approved in writing by Company and the applicable Member and shall collect the applicable "Cost" from each Member as referenced in Exhibit D.
- d. Pursuant to Exhibit D, Administrator shall then pay to Company the "Remittance" portion referenced in Exhibit D of the corresponding "Cost" referenced in Exhibit D collected for each Product by the 15<sup>th</sup> day of each month following the month in which the "Cost" for the applicable Product was collected, and Administrator shall retain, as compensation, the corresponding "Commission" reference in Exhibit D for each applicable Product sold.
- e. Administrator shall pay all expenses incurred by Administrator in connection with promoting and selling the Programs.
- f. Administrator shall provide fulfillment materials to Members that are provided to Administrator by Company in accordance with written procedures approved or provided in writing by Company.

#### 5. **DUTIES OF COMPANY**

- a. Company shall ensure that each Member reported pursuant to <u>Paragraph 4.b</u> shall have access to all benefits under the applicable Products purchased.
- b. For reconciliation purposes, Company shall provide a monthly statement to Administrator, reflecting the amount owed for new Members, renewing Members, less terminating Members.

- c. Company understands and agrees that Administrator shall not provide any claims adjustment, claims payment or other claims administration services in connection with the Products, and Company shall be solely responsible for resolving all claims related complaints.
- d. Company shall provide Administrator with 31 days' prior written notice of changes in any Program.
- e. For Members solicited by Administrator or its producers or sub-producers, Company shall provide Certificates of Insurance to such Members within 2 business days of receipt of the electronic enrollment files from Administrator.
- f. Company shall communicate its approval or disapproval to Administrator, in writing, of any advertising, promotional, fulfilment or similar material submitted to Company by Administrator within ten (10) business days following receipt by Company.

#### 6. USE OF NAME, ETC.

Except as expressly approved in writing by each party, neither party shall have any right to use the names, trademarks, service marks or trade names of the other party.

### 7. REGULATORY INQUIRIES

Administrator shall promptly forward copies of all governmental or regulatory inquiries or complaints received in its office to Company. Administrator shall also forward to Company all relevant records in its possession when it forwards any such inquiry or complaint (other than records which, in Administrator's good faith judgment, contain information that is subject to an attorney-client or other legal privilege or constitutes attorney work product). Administrator shall reasonably cooperate and assist the Company in the resolution and investigation of matters referenced in this <u>Paragraph 7</u>, but shall take no action nor make any reply to such inquiries or complaints unless so requested by Company.

### 8. [INTENTIONALLY OMITTED]

#### 9. INDEMNIFICATION

a. Administrator shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless Company, its affiliates and their respective officers, directors, employees and agents ("Company Indemnified Persons") from and against any and all Losses, as defined below, which a Company Indemnified Person may suffer, incur, or pay arising out of or resulting from (i) any breach by Administrator of any of its covenants or agreements set forth in this Agreement and/or (ii) any inaccuracy in or breach by Administrator of any of the representations or warranties of Administrator set forth in this Agreement and/or (iii) any alleged misrepresentation by Administrator or any of its producers or sub-producers to any person or party in connection with selling the Products or providing the Services, other than misrepresentations contained in advertising, promotional, fulfilment or similar material provided by Company or approved by Company in writing.

For the purposes of this <u>Paragraph 9</u>, "<u>Losses</u>" means any and all demands, damages, payments, obligations, claims, suits, actions or causes of action, investigations, proceedings, taxes, fines or penalties (including, without limitation, those imposed by governmental authorities), assessments, losses, liabilities, and costs and expenses incurred in connection with any of the foregoing,

including, without limitation, reasonable attorney's fees and/or interest on any amount payable to a third party as a result of the foregoing, and any other expenses reasonably incurred in connection with investigating or defending any claims, suits, actions, investigations or proceedings whether or not resulting in any liability, and all amounts paid either pursuant to a judgment or in settlement of such claims, suits, actions, investigations or proceedings; provided, that "Losses" shall exclude punitive and exemplary damages and consequential damages, including lost income and profits and interruptions of business to the extent constituting consequential damages except to the extent arising out of or resulting from fraud or willful misconduct.

- b. Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless Administrator, its affiliates and their respective officers, directors, managers, employees and agents ("Administrator Indemnified Persons") from and against any and all Losses which an Administrator Indemnified Person may suffer, incur or pay arising out of or resulting from (i) any breach by Company of any of its covenants or agreements set forth in this Agreement; (ii) any claim for coverage and/or benefits under a Product; and/or (iii) any inaccuracy in or breach by Company of any of the representations or warranties of Company set forth in this Agreement.
- c. If any suit, action, investigation, claim or proceeding is begun, made or instituted as a result of which the party required to provide indemnification hereunder ("Indemnitor") may become obligated to an individual or entity entitled to indemnification pursuant to this Paragraph 9 ("Indemnitee"), the Indemnitee shall give written notice to the Indemnitor within five (5) business days of its receipt of notice of such suit, action, investigation, claim or proceeding specifying in reasonable detail the facts upon which the claimed right to indemnification is based. The Indemnitor shall assume the defense of such suit, action, investigation, claim or proceeding; and the Indemnitee shall have the right (but not the obligation) to participate at their own expense by counsel of it choice in such defense but shall, at the cost of the Indemnitor, cooperate with and assist the Indemnitor to the extent reasonably possible; provided, that if (i) the Indemnitor and the Indemnitee are both named parties to a suit, action, investigation, claim or proceeding and the Indemnitee shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (ii) the Indemnitor is not entitled to a legal defense or counterclaim available to the Indemnitee, then the Indemnitor shall be liable for the reasonable fees and expenses of one outside counsel to the Indemnitee in each jurisdiction for which the Indemnitee reasonably determines counsel is required.
- d. The Indemnitor shall not, without the prior written consent of the Indemnitee, settle, compromise or offer to settle or compromise any suit, action, investigation, claim or proceeding on a basis that would result in (i) injunctive or other nonmonetary relief against the Indemnitee or any affiliate of the Indemnitee, including, without limitation, the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnitee or any affiliate of the Indemnitee, (ii) a finding or admission of a violation of applicable law or violation of the rights of any individual or entity by the Indemnitee or any affiliate of the Indemnitee or (iii) any monetary liability of the Indemnitee or any affiliate of the Indemnitee that will not be promptly paid or reimbursed by the Indemnitor. An Indemnitee shall not, without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, conditioned or delayed, settle, compromise or offer to settle or compromise any suit, action, investigation, claim or proceeding for which indemnification has been, or will be, sought against the Indemnitor pursuant to this Paragraph 9.

#### 10. AUTHORITY OF PARTIES

Other than as specifically provided in this Agreement, neither party shall have any authority to make, alter or discharge any contract for the other party or bind the other party in any way unless expressly authorized in writing to do so. Notwithstanding anything in this Agreement to the contrary, the parties understand and agree that the Services do not include, and Administrator will have no responsibility for, the adjustment, administration or payment of claims or benefits under Products.

#### 11. INSURANCE

Administrator shall, during the term of this Agreement and any renewal term, maintain in full force errors and omissions coverage in an amount not less than two million dollars (\$2,000,000) per claim with a deductible not to exceed fifty thousand dollars (\$50,000) per claim. Administrator shall furnish proof of such coverage upon Company's request. Administrator shall notify Company immediately upon becoming aware that the policy is or will be canceled.

# 12. DISCONTINUANCE OR CHANGE OF ASSOCIATION BENEFITS

- a. Without liability to Administrator, Company at its discretion may discontinue and withdraw or modify any Product, or the forms evidencing such Product, in any state or jurisdiction without prejudice to the right of Company to continue offering such Product in any other state or jurisdiction. Company may also at its discretion, without liability to Administrator, cease to do business in any state or other jurisdiction without prejudice to the right of Company to continue doing business in any other state or jurisdiction. Any change by Company under this <u>Paragraph 12</u> shall be effective upon 31 days prior written notice to Administrator or such shorter period as may be required by applicable law or regulatory authorities.
- b. Company may replace the Products in whole or in part with another insurance company.
- c. In the event Company discontinues, withdraws or modifies any Product, or the forms evidencing such Product, in the Service Area, ceases to do business in the Service Area (in whole or in part) or engages in any replacement which results in Company being released of liability with respect to business administered by Administrator, Administrator shall continue administering any existing business which is the subject of this Agreement.
- d. Administrator shall be liable for the acts and obligations of any individual or entity employed or retained by Administrator in connection with the performance of the Services.
- e. Administrator shall be solely responsible for any compensation payable to any producer or sub-producer engaged by Administrator for the sale of Products.

#### 13. **CONFIDENTIALITY**

- a. Neither Administrator nor Company shall disclose or use non-public, confidential or proprietary information of the other party except in connection with the performance of its obligations under this Agreement. For purposes of this <u>Paragraph 13</u>, Company and Administrator shall each include their respective affiliates, and its affiliates respective employees.
- b. The non-public, confidential or proprietary information referred to in this <u>Paragraph 13</u> shall include but not be limited to financial and accounting information, methods and materials related

to policy design and pricing, sales and marketing information and techniques, and administrative procedures (including, without limitation, information systems). This Paragraph 13 shall not, however, apply to any information of a party that (i) is or becomes generally available to the public other than as a result of a disclosure by the receiving party; (ii) was within the receiving party's possession prior to its being furnished to the receiving party by the disclosing party; or (iii) becomes available to the receiving party on a non-confidential basis from a source other than the disclosing party; provided, that with respect to clauses (ii) and (iii) above, the source of such information was not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the disclosing party or any other individual or entity with respect to such information.

- c. Any non-public, confidential or proprietary information furnished by Administrator or Company to a third party shall, to the extent reasonably practicable, be furnished in such a manner that the third party shall be subject to the same conditions and limitations imposed upon Administrator and Company by this <u>Paragraph 13</u>.
- d. If a receiving party is compelled by deposition, interrogatory, subpoena, civil investigative demand or similar process, or upon demand of any governmental authority with jurisdiction over it or as otherwise required by applicable law ("Disclosure Demand") to disclose any of the non-public, confidential or proprietary information of the disclosing party, the receiving party will provide the disclosing party with prompt written notice of each such Disclosure Demand so that the disclosing party may (at its expense) seek an appropriate protective order or other appropriate remedy and/or waive the receiving party's compliance with the provisions of this Paragraph 13. In addition, if requested by the disclosing party, the receiving party shall assist the disclosing party at the disclosing party's expense in obtaining a protective order and taking other legally available steps to resist or narrow any such Disclosure Demand. In the event that such protective order or other remedy is not obtained promptly, the receiving party may furnish that portion (and only that portion) of such non-public, confidential or proprietary information which, in the written opinion of the receiving party's counsel, the receiving party is legally required to disclose and will otherwise exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any such non-public, confidential or proprietary information.
- e. Neither Administrator nor Company shall without the prior written consent of the other party, during the term of this Agreement and for a period of two (2) years thereafter, on its own behalf or on behalf of any other individual or entity, directly or indirectly, solicit to hire, retain or contract with, or hire, retain or contract with, any employee of the other party to work for or on behalf of Administrator or Company in competition with the other concerning the type business contemplated by this Agreement within the Service Area except (i) pursuant to a general solicitation through the media or by a search firm, in either case, that is not directed specifically to any employees of the other party or (ii) Company or Administrator has, as applicable, terminated the employee in question prior to the other party having solicited or otherwise contacted such employee or discussed the employment or engagement of such employee.
- f. In the event of termination of this Agreement each party will return to the other party all non-public, confidential or proprietary information of the other party; <u>provided</u>, that the receiving party shall be entitled to keep a copy of such information, subject to its ongoing obligations under this <u>Paragraph 13</u>, to the extent required under applicable law or as necessary to comply with its obligations under this Agreement. That portion of the non-public, confidential or proprietary

information that may be found in analyses, compilations, studies or other documents prepared by the other party will be held by the other party and kept subject to the terms of this <u>Paragraph 13</u>.

g. In the event of breach of this <u>Paragraph 13</u>, the breaching party agrees to pay the non-breaching party any and all damages incurred by the non-breaching party as a result of the breach. It is further understood and agreed that money damages would not be a sufficient remedy for any breach of this <u>Paragraph 13</u> and that the non-breaching party shall be entitled to specific performance and injunctive and other equitable relief for any such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this <u>Paragraph 13</u> but shall be in addition to all other remedies at law or in equity to either party.

h. This <u>Paragraph 13</u> shall survive the termination of this Agreement.

#### 14. NO WAIVER

No failure or delay by a party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof, preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

#### 15. INSPECTION OF BOOKS AND RECORDS BY EITHER PARTY

Company shall permit Administrator and Administrator shall permit Company, in each case, through any individuals or entities designated by the auditing party, at such reasonable times during normal business hours and as often as the auditing party may deem appropriate (but in no event more than once per calendar quarter), to visit, inspect, examine, audit and verify, at the other party's offices or wherever records are kept, the accounts, files, documents, books, reports, work papers and other records belonging to or in the possession or control of the other party or any other individual or entity relating to management of Products, and to make copies thereof and extracts therefrom. An auditing party may conduct such inspection or audit with five days prior written notice to the other party.

Any such inspection or audit shall be conducted in a manner that does not unreasonably interfere with the conduct of the business of the party being audited or such party's affiliates, and any information so reviewed shall be treated and held confidential and proprietary information on the same terms, and subject to the same conditions, as set forth in <u>Paragraph 13</u>. Notwithstanding the foregoing, in no event shall a party being audited or its affiliates be required to provide access to any such books and records to the extent that they contain information that is subject to an attorney-client or other legal privilege or constitutes attorney work product.

In the event that Company has contracted with a third-party to handle management ("TPA"), Company hereby appoints Administrator as its agent to conduct inspections and audits of such third-parties on the same terms set forth in this <u>Paragraph 15</u> to the extent not in conflict with terms and conditions set forth in any written agreement by and between Company and such third party.

In addition, as applicable, Company shall, or shall request the applicable insurance carrier for the Products, to provide the following to HPIH on a semi-annual basis beginning on November 1, 2015 and on each May 1<sup>st</sup> and November 1<sup>st</sup> thereafter: (i) paid losses, (ii) paid loss adjustment expense, (iii) case reserves, broken down by reserves for losses and reserves for loss adjustment expenses, and (iv) IBNR.

#### 16. EXPIRATIONS

At all times, the use and control of expirations of coverages produced by Administrator, its affiliates, and their respective producers and sub-producers (including all records and information relating to individuals who purchased such coverages), shall be owned exclusively by Administrator and otherwise left in Administrator's undisturbed possession and control. This Paragraph 16 shall survive termination or expiration of this Agreement.

#### 17. TERM AND TERMINATION

The initial term of this Agreement shall begin on the date hereof and end on the second anniversary thereof, and shall automatically be renewed for additional one year terms unless: (A) terminated by ether party, for any reason, on written notice to the other party delivered prior to the 120<sup>th</sup> day before the expiration of the then current term or (B) terminated by either party for cause as provided in this Paragraph 18.

Either party may terminate this Agreement for cause immediately upon written notice, subject to applicable cure periods specified below. Upon termination for cause by Company or at such time Administrator ceases to provide the Services, Administrator shall promptly:

- a. pay in cash all sums held on behalf of Company or otherwise due to Company, less any compensation due Administrator; and
- b. Forward to Company or its designee, in as effective and efficient manner as reasonably possible, any records and information which is the property of Company and, if requested by Company, any other records and information needed by Company or its designee to assume the administration of the Products, subject, in all instances to the terms and conditions of this Agreement.

For purposes of this Agreement, an occurrence of one or more of the following events with respect to one of the parties, shall constitute a default under this Agreement for which the non-defaulting party may terminate this Agreement for cause:

- a. The material breach by the party of any provision of this Agreement, which breach is not cured within thirty (30) days of the allegedly defaulting party's receipt of written notice from the other party (five (5) days for payment defaults);
- b. The party applies for or consents to the appointment of or has appointed for it a conservator or receiver trustee or liquidator;
- c. The party admits in writing its inability to pay its debts generally as they mature;
- d. The party makes a general assignment for the benefit of creditors;
- e. The party is adjudicated as bankrupt or insolvent;
- f. The party files a voluntary petition in bankruptcy or a petition or any answer seeking reorganization or arrangement with creditors, or to take advantage of any bankruptcy, reorganization, insolvency, dissolution or liquidation law; or
- g. An involuntary petition in bankruptcy is filed against the party which remains unstated or in

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effect for a period of more than forty five (45) days.

Company acknowledges that Administrator must act in a Member's best interests when recommending changes of products and/or carriers (including, without limitation, recommending a change of carrier because a Member expresses dissatisfaction with the current carrier and wishes to terminate coverage, or providing a recommendation of another carrier if requested by a Member for any reason), provided that Administrator agrees that the moving of the block of business to another carrier – "rolling business" – for the sole purpose of generating or increasing commissions is not permitted.

#### 18. ASSIGNMENTS

This Agreement is not assignable or transferable by either party to this Agreement without the other party's prior written approval; <u>provided</u>, that Administrator may in its sole discretion subcontract the performance of various Services with third parties.

### 19. AGENT RECRUITMENT

Company agrees that it will not contract directly with any of the Administrator's producers or sub-producers listed in <u>Exhibit E</u> (whether listed in the "Agency Name" column or "Agent Name or Principal" column of <u>Exhibit E</u>) during the term of this Agreement.

#### 20. NOTICES

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of (a) in the case of personal delivery, when actually delivered; (b) in the case of delivery by prepaid overnight courier with guaranteed next day delivery, the day designated for delivery by such courier; (c) in the case of delivery by registered or certified mail, postage prepaid, return receipt requested, five (5) days after deposit in the mails; (d) in the case of transmittal by facsimile, upon receipt by the sender of a printed confirmation of transmittal; or (e) in the case of transmittal by electronic mail, upon receipt by the sender of electronic confirmation of such transmittal, and in each case shall be addressed as follows (or at such other address, facsimile number or e-mail address for a party as shall be specified by like notice):

if to Administrator, to:

Bryan Krul
Health Plan Intermediaries Holdings, LLC
15438 N. Florida Avenue, Suite 201
Tampa, Florida 33613
Facsimile: (877) 376-5832
E-mail: bkrul@hiiquote.com

if to Company, to:

United Service Association For Health Care Mary Cranon 2221 E. Lamar Blvd, Suite 900 Arlington, TX 76006

Facsimile: 888-489-7734

E-mail: mary.cranon@usahc.com

#### 21. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL

This Agreement shall be interpreted and construed in accordance with the laws of the State of Florida, without regard to its conflict of laws principles that would require application of the laws of a jurisdiction other than the State of Florida. The parties hereby irrevocably and unconditionally (a) submit to the exclusive jurisdiction of any State or Federal Court sitting in Tampa, Florida (any such court, a "Designated Court"), over any action, suit or proceeding arising out of or relating to this Agreement, (b) waive any objection to the laying of venue of any such action, suit or proceeding brought in a Designated Court has been brought in an inconvenient forum, and (c) agree that final judgment in any such action, suit or proceeding in a Designated Court shall be conclusive and binding upon the Parties and may be enforced in any other courts to whose jurisdiction the Party against whom enforcement is sought may be subject, by suit upon such judgment. IN ADDITION TO THE FOREGOING, EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND EACH PARTY HEREBY ACKNOWLEDGES THAT SUCH WAIVER IS MADE WITH FULL UNDERSTANDING AND KNOWLEDGE OF THE NATURE OF THE RIGHTS AND BENEFITS WAIVED HEREBY.

#### 22. ENTIRE AGREEMENT

This Agreement and the Exhibits constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

#### 23. SEVERABILITY

If any provision, including any phrase, sentence, clause, section or subsection, of this Agreement is determined by a court of competent jurisdiction to be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering such provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision herein contained invalid, inoperative, or unenforceable to any extent whatsoever. Upon any such determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

## 24. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

## 25. EXECUTION

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same instrument. Each counterpart may be delivered by facsimile transmission or email (as a .pdf, .tif or similar uneditable attachment), which transmission shall be deemed delivery of an originally executed counterpart hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement to be effective as of the date first set forth above.

HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC

Name:

Title SUP

UNITED SERVICE ASSOCIATION FOR HEALTH CARE

By:

Nam

(Signature Page to Administrative Services Agreement)

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# **EXHIBIT A – PRODUCTS**

**Dental Access** 

Dental Care

Dental/Vision Plus

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# EXHIBIT B - SERVICE AREA

Washington, D.C. and all states, except for Alaska, Montana and South Dakota

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#### EXHIBIT C - SERVICES

With respect to the Products, Administrator shall use its commercially reasonable efforts to perform the specific services and administrative functions as enumerated herein.

#### A. ADMINISTRATIVE SERVICES

- 1. Solicit individuals to purchase Products on behalf of Company in accordance with the written marketing guidelines of the Company provided to Administrator from time to time ("Marketing Guidelines").
- 2. Verify the eligibility of each individual proposed to be a Member in accordance with the Marketing Guidelines.
- 3. On a daily basis, furnish an eligibility file to Company delineating all new, renewed and cancelled Products during the immediately preceding day, in form and substance to be mutually agreed by Administrator and Company.
- 4. Prepare and transmit membership billings to Members, collect and deposit payments and credit such payment to the Members.
- 5. Assemble, complete and transmit all Company approved Identification Cards, benefit guides and welcome notifications to Members within 24 hours of enrollment.
- 6. Provide the following general non-claims assistance to Members:
  - a. Respond to inquiries by actual or potential Members with respect to the scope and amounts of coverage provided by the Products. In doing so, Administrator shall not vary or expand the obligations of Company, and any inquiry raising a novel question under the terms of any Product shall be referred to Company before Administrator responds.
  - b. Issue timely notices with respect to any change in the terms under the Products or in the fees or dues to be charged for the Products.
  - c. Process and record changes in addresses and beneficiary designations.
  - d. Provide instructions and assistance in completing administrative forms provided by Company.
- 7. Administrator shall not provide any claims adjustment, claims payment or other claims administration services in connection with the Members. Administrator shall, however promptly forward any and all claims to Company or its designated TPA that Administrator receives from insured members.
- 8. Promptly provide to Company a copy of each complaint against Company received from a Member and each complaint or inquiry from any regulatory agencies involving Company as well as any correspondence relative to the disposition of such complaint or inquiry or any correspondence where a lawsuit or regulatory action is threatened against Company or any information relating to any lawsuit against Company. Administrator shall cooperate and assist

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Company in the resolution and investigation of such matters, at the cost of Company and subject to its right of indemnification pursuant to <u>Paragraph 9</u> of the Agreement, but shall take no action nor make any reply to such matters on behalf of Company unless so requested by the Company. The Company will represent all claims and resolve all matters in regards to various state insurance departments involving Company.

### B. FUND DEPOSIT AND TRANSFER SERVICES

- 1. a. "Costs", as that term is used in <u>Exhibit D</u>, shall be collected by Administrator into Administrator's bank accounts. Administrator shall then transfer "Remittances", as that term is used in <u>Exhibit D</u>, into a Trust account on which Administrator and Company shall both be signatories, to facilitate the distribution of such to Company.
  - b. The Trust account shall be established at a bank or other financial institution acceptable to Company. All bank charges associated with the Trust Account shall be the sole responsibility of Company. All bank charges associated with the Administrator's bank accounts shall be the sole responsibility of Administrator.
  - c. Other than compensation due Administrator under this Agreement, all funds referenced hereunder shall be the sole property of Company and shall be administered by Administrator in accordance with the terms and conditions of this Agreement. Other than compensation due Administrator under this Agreement, all funds of Company in the hands of Administrator shall be held in a fiduciary capacity.
- 2. In all other respects, Administrator shall conform to reasonable written procedures and guidelines established by Company relative to the collection, deposit, transfer and control of Company funds.

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# **EXHIBIT D - COMPENSATION**

# **Dental Care**

	Individual		Indi	vidual+1	Family		
Cost	\$	69.00	\$	99.00	\$	139.00	
Commission	\$	32.00	\$	47.00	\$	67.00	
Remittance	\$	37.00	\$	52.00	\$	72.00	

### **Dental/Vision Plus**

	Individual		Indi	vidual+1	Family	
Cost	\$	39.00	\$	49.00	\$ 59.00	
Commission	\$	17.00	\$	22.00	\$ 27.00	
Remittance	\$	22.00	\$	27.00	\$ 32.00	

### **Dental Access**

	Individual		Indi	vidual+1	Family
Cost	\$	49.00	\$	59.00	\$ 69.00
Commission	\$	22.00	\$	27.00	\$ 32.00
Remittance	\$	27.00	\$	32.00	\$ 37.00

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# **EXHIBIT E – AGENT RECRUITMENT**

Agency Name	Agent Name or Principal
Advanced Brokerage	Sean Wheelus
A.F.C. Group	Stan Naraine
AHB Sales, LLC	Robert Byrnes
Allegiant Group	Brian L. Norton
Bayside Insurance Associates	Matthew Grady Christopherson
Crosspointe Insurance & Financial Services	Joshua Mushlock
CSA General Insurance Agency, Inc.	Julianna Quain Carman, Suzzane Skrdla
Dividend Health LLC.	Ty H. Bruggemann
East Coast Health Insurance, Inc.	Caroline Ehrenthal
EHEALTH INSURANCE SERVICES	Robert Hurley, Gary Matalucci
First Family Insurance, Inc	Jason Marra
Health Benefits One, LLC.	Matthew E. Spiewak, Steve Dorfman
Health Option One, Inc.	Arnold H. Cohen, Seth Cohen, Brad Cohen
Health Solutions II	Ryan Derrick Vanwy
HealthPlan Express, LLC.	Jeffrey K. Green
I Can Benefit Group, LLC	Samuel G. Shatz, Harold Shatz, Steve Tucker
Infinity Direct Insurance, LLC. Dba Covida Insurance Services	Lewis Urivetzky
Insphere Insurance Solutions	James Christopher Mason
Insurance Academy	Michael Tobias
J L Barnes insurance Agency	James W. Barnes, Todd Paige
Jaye Patrick Norris	Jaye Patrick Norris
Lands Health	Craig Lawrence
Lighthouse Insurance Group, LLC.	Jason Paul Farro, Paul Simpson
Max Newman	Max Newman
Medgap Direct	Adam Awany
National Brokers of America	Alan Christpher Redmond
Nations Health Solutions	Marc Zimmerman
Pacific Benefits Group	John R. Klemin
Premier Health Solutions, LLC	Matthew Bejoe
Quick Quote US, LLC.	Michael Hilf
Rene R. Lopez	Rene R. Lopez
RMB Insurance Solutions LLC	Joseph Gerard Murray
Selected Market Insurance Group	Dan Kuhn, Alan Edgin
Summit Health Group, LLC.	John Thomas Jack
Sunrise Health Plans, Inc.	Jorge Saavedra, Howard Knaster, Janet Torber
Ten Count Promotions. Inc.	Michael Tobias
The Benefit Depot	Jason Bennett Skole, Kevin Rennert

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The Pinnacle Benefits Group, LLC.	Raymond C. Richard	
VitalOne Health Plans Direct, LLC.	Rene J. Luis	

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# **USA+ Dental**



Plans for Individuals and Families

United Service Association For Health Care Founded 1983, Washington DC



Billing & Customer Service provided by:



# **DENTAL CARE**

## **Benefits**

You receive the following benefits: \$70 Annual Deductible for all services and the annual maximum is \$2,500. Benefits Are Paid Based On a Percentage of Usual and Customary Charges, No waiting period on preventive and basic services, Choose any dentist nationwide or select from one of nearly **65,000 provider access locations.** 



# Benefits are payable as follows:

	Year 1 Incentive Coinsurance (First Benefit Period)*	Year 2 Incentive Coinsurance (Second Benefit Period & Forward)*
Type 1 Cleanings, Exams, Sealants, Fluoride	80%	100%
<b>Type 2</b> Limited Oral Evaluation, All X-rays, Palliative Treatment	60%	100%
<b>Type 3</b> Endodontics, All Periodontics, Major Restorative, Anesthesia	10%	40%
<b>Type 4</b> Fillings, Crown Repair & Denture Repair, Extractions	25%	75%

**Incentive Coinsurance:** All members will begin at the lowest coinsurance level. Members will advance to year two coinsurance level only if a claim is received in the first Benefit Period. If a claim is not received, members return to the lowest level of coinsurance. The first Benefit Period begins on the effective date of the membership and ends on December 31st of the same year. The second Benefit Period begins on January 1st of the following year.

**Dental Rewards** - Rewards insureds that care for their teeth and use only a portion of their annual maximum benefit in a year. With its increasing maximum feature, each insured member and dependent earns additional money toward his or her next year's annual maximum.

## To get the maximum carryover for the next year, you must meet the following requirements:

- 1. Visit your Dentist between January 1st and December 31st.
- 2. Submit claim for payment prior to April 1st of the next year.
- 3. Total benefits paid for current year visits must be less than \$750.
- If you meet all 3 requirements you will have an additional \$400 available in Annual Maximum for the next year.
- In future years if you have benefits paid of less than \$750, additional amounts of \$400 will be added to the carryover. However, the most you can accumulate in the maximum carryover is \$1,200.
- Your annual maximum will be \$3,700 in four years if you continue to visit the dentist once each year!

# DENTAL ACCESS

### **Benefits**

You receive the following benefits: \$50 Deductible for Type 1 Preventive Services \$100 Deductible for Type 2 Basic and Major Services.

- No more than 3 deductibles per calendar year
- Maximum Benefit \$2,500 annually Per Family Member
- Benefits Are Paid Based On Schedule of Eligible Expenses
- No waiting period on preventive and basic services
- Choose any dentist nationwide or select from one of nearly 65,000 provider access locations.
- There is a 12 month Waiting Period for Major Services

**Dental Rewards** - Rewards insureds that care for their teeth and use only a portion of their annual maximum benefit in a year. With its increasing maximum feature, each insured member and dependent earns additional money toward his or her next year's annual maximum.

## To get the maximum carryover for the next year, you must meet the following requirements:

- 1. Visit your Dentist between January 1st and December 31st.
- 2. Submit claim for payment prior to April 1st of the next year.
- 3. Total benefits paid for current year visits must be less than \$500.
- If you meet all 3 requirements you will have an additional \$250 available in Annual Maximum for the next year.
- As long as you continue to visit the Dentist each year the \$250 will be available.
- In future years if you have benefits paid of less than \$500, additional amounts of \$250 will be added to the carryover. However, the most you can accumulate in the maximum carryover is \$1,000.
- Your annual maximum will be \$3,500 in four years if you continue to visit the dentist once each year!



# **DENTAL-VISION PLUS**

### **Benefits**

You receive the following benefits:
NO Deductible for Type 1 Preventive Services,
\$50 Deductible for Type 2 Basic Services,
Maximum Benefit - \$2,500 annually Per Family
Member, Benefits Are Paid Based On Schedule of
Eligible Expenses, No waiting period on preventive
and basic services, Choose any dentist nationwide
or select from one of nearly 65,000 provider access locations.



**Dental Rewards** - Rewards insureds that care for their teeth and use only a portion of their annual maximum benefit in a year. With its increasing maximum feature, each insured member and dependent earns additional money toward his or her next year's annual maximum.

# To get the maximum carryover for the next year, you must meet the following requirements:

- 1. Visit your Dentist between January 1st and December 31st.
- 2. Submit claim for payment prior to April 1st of the next year.
- 3. Total benefits paid for current year visits must be less than \$500.
- If you meet all 3 requirements you will have an additional \$250 available in Annual Maximum for the next year.
- In future years if you have benefits paid of less than \$500, additional amounts of \$250 will be added to the carryover. However, the most you can accumulate in the maximum carryover is \$1,000.
- Your annual maximum will be \$3,500 in four years if you continue to visit the dentist once each year!

This benefit is provided to USA+ Members by a group Dental Expense policy issued to USA/HC by Ameritas Life Insurance Company. Certain terms and conditions apply and benefits are subject to the Exclusions and Limitations. A complete description is contained in the Certificate of Coverage.

Ameritas Group, a division of Ameritas Life Insurance Corp. a UNIFI Company, offers group dental and eye care products nationwide. Ameritas Group's dental and eye care products (9000 Ed. 01-05) are issued by Ameritas Life.

# **BENEFITS**

SERVICE	DENTAL CARE	DENTAL ACCESS	<b>DENTAL VISION PLUS</b>	
Benefits paid based on Ameritas Schedule of Eligible Expenses	NO	Yes- See Class Number 3 Schedule	YES - See Class Number 4 Schedule	
Pays based on % of Usual and Customary Charges	YES	NO	NO	
Maximum Benefit Amount	\$2,500	\$2,500	\$2,500	
Major Services Covered	YES	Yes, with 12 month waiting period	NO	
Deductible Amounts for Preventative services	\$70 annual for all services	\$50	NONE	
Deductible Amounts for Basic services	\$70 annual for all services	\$100	\$50	
Deductible Amounts for Major services	\$70 annual for all services	\$100	NO	
Benefits paid based on Yr.1 Incentive Coinsurance and Yr.2 Incentive Coinsurance	YES	NO	NO	
Required to use an Ameritas Participating Provider	NO	NO	NO	
Can choose any Dentist Nationwide	YES	YES	YES	
Benefits are based on a Benefit Period/Calendar Year	Based on Benefit Periods; 1st=Membership Effective date through 12/31 of that same year; 2nd and subse- quent benefit periods 1/1 through 12/31 each year	Calendar year 01/01/ to 12/31	Calendar year 01/01/ to 12/31	
Missing Tooth Clause	YES	YES	YES	
Orthodontic Treatment	NO	NO	NO	
Increased Dental Maximum Carryover Benefit Amount	\$1,200 Includes PPO Carry Over	\$1,000	\$1,000	
Member has a 30 day evaluation period to request a full refund	YES	YES	YES	
Free Eye Exam At VSP Providers	YES	YES	YES	
Maximum Payable for the vision exam if a non participating provider	Up to \$47	Up to \$47	Up to \$47	
Discount on lenses, frames and hardware at a participating provider	Yes, up to 20% discount	Yes, up to 20% discount	Yes, up to 20% discount	
Laser Surgery Participating Provider	Yes, up to 25% discount on laser surgery	Yes, up to 25% discount on laser surgery	Yes, up to 25% discount on laser surgery	
Lasik Benefits	NO	Lifetime Maximum Benefit per Eye, 1st Benefit Period \$0 per eye, 2nd Bemefit Period \$100 per eye, 3rd Benefit Period \$250 per eye, 4th + Benefit Period \$500 per eye	NO	
Age Limit	NO	NO	NO	
Dependent Maximum Age	Children less than age 26	Children less than age 26	Children less than age 26	
Notice of Claim	30 days	30 days	30 days	
Proof of Loss (time to file a claim)	90 days	90 days	90 days	
Time Frame to file first claim to move to 2nd yr. Coinsurance level	Within 1st Benefit Period	NO	NO	
Monthly Dues - Individual	\$69	\$49	\$39	
Monthly Dues - Member + 1 dependent	\$99	\$59	\$49	
Monthly Dues - Member + 2 or more dependents	\$139	\$69	\$59	

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# Vision Benefits\*

You receive the following benefits and more: Free eye exam once per year per family member from participating providers; 20% discount on lenses, frames, and other hardware; Up to a 25% discount on laser surgery; There are 32,000 VSP providers nationwide; There's a VSP provider within ten miles of the homes of 90% of the United States population; Find a VSP provider near you at ameritasgroup.com.

\* These benefits are provided to USA+ Members by a group Dental Expense policy issued to USA/HC by Ameritas Life Insurance Corp. Certain terms and conditions apply and benefits are subject to the Exclusions and Limitations. A complete description is contained in the Certificate of Coverage. Ameritas Group, a division of Ameritas Life Insurance Corp. a UNIFI Company, offers group dental and eye care products nationwide. Ameritas Group's dental and eye care products (9000 Ed. 01-05) are issued by Ameritas Life.

# **NON-INSURED BENEFITS**

#### **USA+ Benefits Protector**

Many individuals lose their job due to a company re-location, company downsizing or as the result of natural disasters. For most individuals, loss of employment also means a monetary loss.

The Benefits Protector program helps cushion the impact of economic downturns that occur. Should you lose your job through no fault of your own, we will be there for you. Your membership dues will be waived and your membership benefits will continue for three (3) months. (Certain Terms and Conditions Apply).

# **USA+ Scholarship Program**

USA+ will award five (5) scholarships each academic school year. The scholarships are payable at \$1,250 per semester and \$2,500 per school year, for a total of four semesters (Fall and Spring) and a total award of \$5,000. The award is only applicable to students whose degree program is in a medical related field.

The recipient must be a full time student (minimum of 12 hours per semester). The selection criteria that will be used will include the following:

- Academic achievement, including grades, rank in class, standardized test scores and achievement test scores. Student must have a minimum GPA of 3.0
- Community/extracurricular involvement
- Leadership
- Participation in specific activities
- Awards and recognition
- Work history
- Personal or family attributes
- Field of Study: Must be health care related, such as: Nursing, Radiology, School of Medicine, Nuclear Medicine, etc.

More information is provided in benefit guide.

The USA+ membership is not an insurance contract. The membership includes insured & non-insured benefits. This is an Association Membership offered and administered by United Service Association For Health Care, P.O. Box 200905, Arlington, TX 76006-0905, 800-USA-1187. Not available in all states. Please contact USA+ for state availability.

You have 30 days from the date you receive your membership materials (or such longer period as may be required by state law) to review and evaluate the USA+ membership. If you wish to cancel your membership and receive a full refund, you may do so by submitting a written request to USA+ at the address listed below.

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The USA+ Foundation was created over twenty years ago to help fund charities that assist those who suffer needlessly, giving them hope for the future.

The USA+ Foundation receives its funding from USA+ membership dues. Each month, a portion of the dues received from each member is donated to the USA+ Foundation.

We are proud to announce that the USA+ Foundation has awarded over 7 million dollars to worthwhile charities, community programs, and national research programs.

The following are organizations that have received grants from the USA+ Foundation to help improve the quality of life for those facing unexpected challenges:

- American Diabetes Association
- American Red Cross
- Arlington Museum of Art/Arlington ISD Art Education
- Athletes in Action
- **Boomer Esiason Foundation**
- Boys & Girls Club of Greater Dallas - Grand Prairie Chapter
- **Character Counts Coalition**
- Cook Children's Hospital
- Cystic Fibrosis Foundation
- **Dallas Stars Foundation**
- Habitat for Humanity
- Juvenile Diabetes Research Foundation

- March of Dimes
- Muscular Dystrophy Association
- Reaching America's Youth Ministries
- Salvation Army
- St. Jude Children's Research Hospital
- Texas Rangers Baseball Foundation
- United Cerebral Palsy
- United Way of Metropolitan Dallas
- Waco ISD Education Foundation
- Watson Children's Shelter
- Women's Business Support Network
- **YMCA**

The USA+ membership is not an insurance contract.

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Foundation	Dental	Verification	Script:
i ouiiuatioii	Dentai	vernication	Juipt.

Hi, my name is	I am your representative in the verification department. This call is being
recorded for quality assuran	e. Your verification number is FD-VS-020117.

This call will confirm that you do understand that you are purchasing a dental insurance plan offered through Health Insurance Innovations and Med-Sense Guaranteed Association (MSGA), underwritten by National Casualty Company, and that your agent of record is \_\_\_\_\_\_ at (Company Name). Ok? [Wait for response.]

Please state your full name and address for the recording. [Wait for response.]

# Not Available in: AK, CO, GA, KS, ME, MD, MI, MT, NH, NC, SD, VT, WA, WY

I would like to verify your understanding that what you are purchasing is a membership in the Med-Sense Guaranteed Association. As a member of this association you are entitled to many benefits such as Sprint, ID resolution, floral discounts, gym America, vitamin discounts, car rental, and car perks. Your membership also includes the Foundation Dental Plan underwritten by National Casualty Company. [Wait for response]

You understand that your plan pays for covered expenses based on the maximum reimbursement for the following benefits (Only read the selected benefit level):

<u>Benefits</u>	Protector	Defender	<b>Guardian</b>
Plan Year Deductible (Per Person)	<b>\$0</b>	\$50	<mark>\$50</mark>
Plan Year Maximum Benefit (Calendar Year)	\$500	\$1,000	\$1,500
Deductible Waived In-Network Preventative	Y	Y	Y
Diagnostic & Preventative Services (% of Covered Expenses)	100%	100%	100%
Diagnostic & Preventative Services- Benefit Waiting Period	3 Mos.	None	None
Basic Services (% of Covered Expenses)	PPO Discount only*	70%	<mark>70%</mark>
Basic Services-Benefit Waiting Period	*	6 Mos.	6 Mos.
Major Services (% of Covered Expenses)	PPO Discount only*	PPO Discount only*	<mark>50%</mark>
Major Services-Benefit Waiting Period	*	*	12 Mos.

\*(DO NOT read the following in MA, NC, NJ, and VA) You understand that you have access to the Maximum Care PPO Network, and you are able to receive Participating Provider discounts on all classes of service, with no waiting periods to access the network. Is this correct? [Wait for response] (Read for all) You understand your effective date will be the first of the month following your enrollment, and subsequent monthly payments will be withdrawn on the 28<sup>th</sup> of the month, is this correct? [Wait for response]

(Not Available in FL, MT, UT, VT or WA) Included with your Foundation Dental plan is the EyeMed Vision plan. The EyeMed Vision plan is a discount program that offers you savings of 20% to 40% on the retail price of eyewear, and discounts on exams through the Access network. With EyeMed, you are able

to order replacement contact lenses by mail. As a member, you also receive 15% off standard prices or 5% off promotional prices, and free exams for LASIK through LASIKPlus.

- This is just to confirm your understanding that the EyeMed Vision package you are purchasing is a discount plan only and is not insurance. Do you understand? [Wait for response]
- Please confirm that you would like to purchase this discount plan. [Wait for response]

You understand that your policy and ID card will be provided electronically? [Wait for response] Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state within your 30-day free look period.

#### **ONLY READ IF FOUNDATION VISION IS PURCHASED**

You have also agreed to purchase the Foundation Vision plan, for a monthly cost of \$\_\_\_\_\_\_. Is this correct? [Wait for response]

You understand that this policy utilizes the Vision Plan Services Network (VSP), and that by visiting a provider that participates in the VSP network, you will receive vision insurance benefits, including the following:

- Eye Examinations, once every 12 months, after a \$10 copay
- Lenses, once every 24 months, after a \$25 copay
- Frames, once every 24 months, to a maximum of \$130
- Elective Contact Lenses Fitting and Evaluation, once every 24 months, covered in full after a \$60 copay
- Elective Contact Lens Materials covered in full to a maximum of \$130, in lieu of frame and lenses
- Visually Necessary Contact Lenses, once every 24 months, covered in full

### Is this correct? [Wait for response]

You understand that if you choose to visit a non-participating provider, you will receive reimbursement for each service, subject to the amount listed on your Schedule of Benefits. Is this correct? [Wait for response]

You understand that the maximum benefit for all vision services and materials is \$1,000, correct? [Wait for response]

Please review your policy for any additional exclusions, limitations and acknowledgments specific to your state. Ok? [Wait for response]

#### **Verify Billing Information**

(Credit Card only verify last 4 digits of card number and expiration date/For Bank Account, verify bank name, routing number and last 4 digits of account number) DO NOT VERIFY ENTIRE ACCOUNT NUMBER OR CVV CODE ON RECORDING FOR ANY REASON!!!!

You understand that your first payment of \$\_\_\_\_\_ will be processed today, you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on <a href="mailto:dd/mm/yyyy">dd/mm/yyyy</a>, correct? [Wait for response.]

You understand that your next month's payment is \$\_\_\_\_\_ and will be automatically processed from your account on the **28th** of each month, is this correct? [Wait for response.]

You understand you are signing up for an automatic payment plan. Do you agree that Health Insurance Innovations ("HII") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

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Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify HII or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by HII or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that HII or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that HII or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or the Nationwide family of companies, you do understand this, correct? [Wait for response.]

Please note there is a 30 day review period for this policy. Please make sure to read your policy benefits and Limitations and Exclusions within your 30 day review period. You can access your policy online at <a href="www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer to have your documents mailed to you at no additional cost. A refund of your initial payment and all fees will be processed if you are not satisfied with the plan you have just purchased during this free look period. Please allow time for processing. To cancel your policy at any time, just notify HII in writing. (All contact information will be in your kit)

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. If you have any questions at any time, please call HII Member Services at 877-376-5831.

I understand that Health Insurance Innovations, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by call HII at 877-376-5831 or emailing <a href="mailto:support@hiiquote.com">support@hiiquote.com</a>. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice signature carefully to ensure my understanding of all provisions of the coverage. IF YOU ARE IN AGREEMENT WITH THIS CONSENT, PLEASE SAY "YES" [Wait for response.]

I authorize Health Insurance Innovations, Inc. and its agents or independent contractors to contact me at my current landline and/or cellular number and any future cellular phone number, email address, or wireless device with information related to my account, my policies, or to receive general information from HII. I also authorize HII and its agents and independent contractors to use automated telephone dialing equipment, artificial or pre-recorded voice or text messages, and emails in their efforts to contact me. Furthermore, I understand that this consent is not a condition for the purchase of my insurance policies, and I may withdraw this consent at any time by submitting my request in writing to HII.

If you agree and consent to this communications authorization, please say 'I agree.' [Wait for				
response.]				
Great! For your protection Mr. /Mrs	, just so I can confirm your understanding and			

agreement to the terms and conditions of the medical insurance plan, please verify by saying "YES."

That completes your verification!!!

[Wait for response.]

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Foundation	Dental	Verification	Scrint:
roulluation	Delitai	verilleacion	JUIDL.

[Wait for response]

Hi, my name is I am your representative in the verification department. This call is being recorded for quality assurance. Your verification number is FD-NCC-011317.			
This call will confirm that you do understand that you are purchasing a dental insurance plan offered through Health Insurance Innovations and Med-Sense Guaranteed Association (MSGA), underwritten by National Casualty Company, and that your agent of record is at (Company Name) . Ok? [Wait for response.]			
Please state your full name and address for the recording. [Wait for response.]			
I would like to verify your understanding that what you are purchasing is a membership in the Med-Sense			
Guaranteed Association. As a member of this association you are entitled to many benefits such as			
Sprint, ID resolution, floral discounts, gym America, vitamin discounts, car rental, and car perks. Your			
membership also includes the Foundation Dental Plan underwritten by National Casualty Company.			

You understand that your plan pays for covered expenses based on the maximum reimbursement for the following benefits (Only read the selected benefit level):

Benefits	Protector	Defender	<b>Guardian</b>
Plan Year Deductible (Per Person)	<b>\$0</b>	\$50	<mark>\$50</mark>
Plan Year Maximum Benefit (Calendar Year)	\$500	\$1,000	\$1,500
Deductible Waived In-Network Preventative	Y	Y	Y
Diagnostic & Preventative Services (% of Covered Expenses)	100%	100%	<mark>100%</mark>
Diagnostic & Preventative Services- Benefit Waiting Period	3 Mos.	None	None
Basic Services (% of Covered Expenses)	PPO Discount only*	70%	<mark>70%</mark>
Basic Services-Benefit Waiting Period	*	6 Mos.	6 Mos.
Major Services (% of Covered Expenses)	PPO Discount only*	PPO Discount only*	50%
Major Services-Benefit Waiting Period	*	*	12 Mos.

\*(DO NOT read the following in MA, NC, NJ, and VA) You understand that you have access to the Maximum Care PPO Network, and you are able to receive Participating Provider discounts on all classes of service, with no waiting periods to access the network. Is this correct? [Wait for response] (Read for all) You understand your effective date will be the first of the month following your enrollment, and subsequent monthly payments will be withdrawn on the 28<sup>th</sup> of the month, is this correct? [Wait for response]

(Not Available in FL, MT, UT, VT or WA) Included with your Foundation Dental plan is the EyeMed Vision plan. The EyeMed Vision plan is a discount program that offers you savings of 20% to 40% on the retail price of eyewear, and discounts on exams through the Access network. With EyeMed, you are able

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to order replacement contact lenses by mail. As a member, you also receive 15% off standard prices or 5% off promotional prices, and free exams for LASIK through LASIKPlus.

- This is just to confirm your understanding that the EyeMed Vision package you are purchasing is a discount plan only and is not insurance. Do you understand? [Wait for response]
- Please confirm that you would like to purchase this discount plan. [Wait for response]

You understand that your policy and ID card will be provided electronically? [Wait for response] Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state within your 30-day free look period.

Verif	/ Billing	Inforn	nation
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(Credit Card only verify last 4 digits of card number and expiration date/For Bank Account, verify bank name, routing number and last 4 digits of account number) DO NOT VERIFY ENTIRE ACCOUNT NUMBER OR CVV CODE ON RECORDING FOR ANY REASON!!!!

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You understand that your next month's payment is \$\_\_\_\_\_ and will be automatically processed from your account on the 28th of each month, is this correct? [Wait for response.]

You understand you are signing up for an automatic payment plan. Do you agree that Health Insurance Innovations ("HII") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify HII or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by HII or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that HII or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that HII or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

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You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or the Nationwide family of companies, you do understand this, correct? [Wait for response.]

Please note there is a 30 day review period for this policy. Please make sure to read your policy benefits and Limitations and Exclusions within your 30 day review period. You can access your policy online at <a href="www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer to have your documents mailed to you at no additional cost. A refund of your initial payment and all fees will be processed if you are not satisfied with the plan you have just purchased during this free look period. Please allow time for processing. To cancel your policy at any time, just notify HII in writing. (All contact information will be in your kit)

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. If you have any questions at any time, please call HII Member Services at 877-376-5831.

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I authorize Health Insurance Innovations, Inc. and its agents or independent contractors to contact me at my current landline and/or cellular number and any future cellular phone number, email address, or wireless device with information related to my account, my policies, or to receive general information from HII. I also authorize HII and its agents and independent contractors to use automated telephone dialing equipment, artificial or pre-recorded voice or text messages, and emails in their efforts to contact me. Furthermore, I understand that this consent is not a condition for the purchase of my insurance policies, and I may withdraw this consent at any time by submitting my request in writing to HII.

f you agree and consent to this communications authorization, please say 'I agree.' [Wait for response.]				
Great! For your protection Mr. /Mrs agreement to the terms and conditions of the m [Wait for response.]	, just so I can confirm your understanding and edical insurance plan, please verify by saying "YES."			
That completes your verification!!!				

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Foundation	Dental	Verification	Scrint:
roulluation	Delitai	verilleacion	JUIDL.

Hi, my name is I am your represe	ntative in the verification department. This call is being
recorded for quality assurance. Your verification	number is FD-NCC-100917.
This call will confirm that you do understand tha	at you are purchasing a dental insurance plan offered
through Health Insurance Innovations and Med-	Sense Guaranteed Association (MSGA), underwritten by
National Casualty Company, and that your agen	t of record is at (Company Name) . Ok?
[Wait for response.]	

Please state your full name and address for the recording. [Wait for response.]

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[Wait for response]

You understand that your plan pays for covered expenses based on the maximum reimbursement for the following benefits (Only read the selected benefit level):

<u>Benefits</u>	Protector	Defender	<b>Guardian</b>
Plan Year Deductible (Per Person)	<b>\$0</b>	\$50	<mark>\$50</mark>
Plan Year Maximum Benefit (Calendar Year)	\$500	\$1,000	\$1,500
Deductible Waived In-Network Preventative	Y	Y	Y
Diagnostic & Preventative Services (% of Covered Expenses)	100%	100%	100%
Diagnostic & Preventative Services- Benefit Waiting Period	3 Mos.	None	None
Basic Services (% of Covered Expenses)	PPO Discount only*	70%	<mark>70%</mark>
Basic Services-Benefit Waiting Period	*	6 Mos.	6 Mos.
Major Services (% of Covered Expenses)	PPO Discount only*	PPO Discount only*	<mark>50%</mark>
Major Services-Benefit Waiting Period	*	*	12 Mos.

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to order replacement contact lenses by mail. As a member, you also receive 15% off standard prices or 5% off promotional prices, and free exams for LASIK through LASIKPlus.

- This is just to confirm your understanding that the EyeMed Vision package you are purchasing is a discount plan only and is not insurance. Do you understand? [Wait for response]
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I authorize Health Insurance Innovations, Inc. and its agents or independent contractors to contact me at my current landline and/or cellular number and any future cellular phone number, email address, or wireless device with information related to my account, my policies, or to receive general information from HII. I also authorize HII and its agents and independent contractors to use automated telephone dialing equipment, artificial or pre-recorded voice or text messages, and emails in their efforts to contact me. Furthermore, I understand that this consent is not a condition for the purchase of my insurance policies, and I may withdraw this consent at any time by submitting my request in writing to HII.

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	, just so I can confirm your understanding and edical insurance plan, please verify by saying "YES."
That completes your verification!!!	

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Foundation	Dental	Verification	Script:
i ouiiuatioii	DCIICAI	V CI III Cation	JCI IPC.

[Wait for response.]

Hi, my name is	. I am your representative in the verif	fication department. This call is being
recorded for quality assuran	ce. Your verification number is FD-VS-	-020117.
This call will confirm that you	u do understand that you are purchas	ing a dental insurance plan offered
through Health Insurance Ini	novations and Med-Sense Guaranteed	d Association (MSGA), underwritten by
National Casualty Company,	and that your agent of record is	at (Company Name) . Ok?

Please state your full name and address for the recording. [Wait for response.]

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You understand that your plan pays for covered expenses based on the maximum reimbursement for the following benefits (Only read the selected benefit level):

<u>Benefits</u>	Protector	Defender	<b>Guardian</b>
Plan Year Deductible (Per Person)	\$0	\$50	<mark>\$50</mark>
Plan Year Maximum Benefit (Calendar Year)	\$500	\$1,000	\$1,500
Deductible Waived In-Network Preventative	Y	Y	Y
Diagnostic & Preventative Services (% of Covered Expenses)	100%	100%	100%
Diagnostic & Preventative Services- Benefit Waiting Period	3 Mos.	None	None
Basic Services (% of Covered Expenses)	PPO Discount only*	70%	<mark>70%</mark>
Basic Services-Benefit Waiting Period	*	6 Mos.	6 Mos.
Major Services (% of Covered Expenses)	PPO Discount only*	PPO Discount only*	<mark>50%</mark>
Major Services-Benefit Waiting Period	*	*	12 Mos.

\*(DO NOT read the following in MA, NC, NJ, and VA) You understand that you have access to the Maximum Care PPO Network, and you are able to receive Participating Provider discounts on all classes of service, with no waiting periods to access the network. Is this correct? [Wait for response] (Read for all) You understand your effective date will be the first of the month following your enrollment, and subsequent monthly payments will be withdrawn on the 28<sup>th</sup> of the month, is this correct? [Wait for response]

(Not Available in FL, MT, UT, VT or WA) Included with your Foundation Dental plan is the EyeMed Vision plan. The EyeMed Vision plan is a discount program that offers you savings of 20% to 40% on the retail price of eyewear, and discounts on exams through the Access network. With EyeMed, you are able

to order replacement contact lenses by mail. As a member, you also receive 15% off standard prices or 5% off promotional prices, and free exams for LASIK through LASIKPlus.

- This is just to confirm your understanding that the EyeMed Vision package you are purchasing is a discount plan only and is not insurance. Do you understand? [Wait for response]
- Please confirm that you would like to purchase this discount plan. [Wait for response]

You understand that your policy and ID card will be provided electronically? [Wait for response] Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state within your 30-day free look period.

#### **ONLY READ IF FOUNDATION VISION IS PURCHASED**

You have also agreed to purchase the Foundation Vision plan, for a monthly cost of \$\_\_\_\_\_\_. Is this correct? [Wait for response]

You understand that this policy utilizes the Vision Plan Services Network (VSP), and that by visiting a provider that participates in the VSP network, you will receive vision insurance benefits, including the following:

- Eye Examinations, once every 12 months, after a \$10 copay
- Lenses, once every 24 months, after a \$25 copay
- Frames, once every 24 months, to a maximum of \$130
- Elective Contact Lenses Fitting and Evaluation, once every 24 months, covered in full after a \$60 copay
- Elective Contact Lens Materials covered in full to a maximum of \$130, in lieu of frame and lenses
- Visually Necessary Contact Lenses, once every 24 months, covered in full

### Is this correct? [Wait for response]

You understand that if you choose to visit a non-participating provider, you will receive reimbursement for each service, subject to the amount listed on your Schedule of Benefits. Is this correct? [Wait for response]

You understand that the maximum benefit for all vision services and materials is \$1,000, correct? [Wait for response]

Please review your policy for any additional exclusions, limitations and acknowledgments specific to your state. Ok? [Wait for response]

# **Verify Billing Information**

(Credit Card only verify last 4 digits of card number and expiration date/For Bank Account, verify bank name, routing number and last 4 digits of account number) DO NOT VERIFY ENTIRE ACCOUNT NUMBER OR CVV CODE ON RECORDING FOR ANY REASON!!!!

You understand that your first payment of \$\_\_\_\_\_ will be processed today, you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on <a href="mailto:dd/mm/yyyy">dd/mm/yyyy</a>, correct? [Wait for response.]

You understand that your next month's payment is \$\_\_\_\_\_ and will be automatically processed from your account on the **28th** of each month, is this correct? [Wait for response.]

You understand you are signing up for an automatic payment plan. Do you agree that Health Insurance Innovations ("HII") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

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Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify HII or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by HII or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that HII or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that HII or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or the Nationwide family of companies, you do understand this, correct? [Wait for response.]

Please note there is a 30 day review period for this policy. Please make sure to read your policy benefits and Limitations and Exclusions within your 30 day review period. You can access your policy online at <a href="www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer to have your documents mailed to you at no additional cost. A refund of your initial payment and all fees will be processed if you are not satisfied with the plan you have just purchased during this free look period. Please allow time for processing. To cancel your policy at any time, just notify HII in writing. (All contact information will be in your kit)

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. If you have any questions at any time, please call HII Member Services at 877-376-5831.

I understand that Health Insurance Innovations, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by call HII at 877-376-5831 or emailing <a href="mailto:support@hiiquote.com">support@hiiquote.com</a>. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice signature carefully to ensure my understanding of all provisions of the coverage. IF YOU ARE IN AGREEMENT WITH THIS CONSENT, PLEASE SAY "YES" [Wait for response.]

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I authorize Health Insurance Innovations, Inc. and its agents or independent contractors to contact me at my current landline and/or cellular number and any future cellular phone number, email address, or wireless device with information related to my account, my policies, or to receive general information from HII. I also authorize HII and its agents and independent contractors to use automated telephone dialing equipment, artificial or pre-recorded voice or text messages, and emails in their efforts to contact me. Furthermore, I understand that this consent is not a condition for the purchase of my insurance policies, and I may withdraw this consent at any time by submitting my request in writing to HII.

If you agree and consent to this communications authorization, please say 'I agree.' [Wait for		
response.]		
Great! For your protection Mr. /Mrs.	, just so I can confirm your understanding and	

agreement to the terms and conditions of the medical insurance plan, please verify by saying "YES."

That completes your verification!!!

[Wait for response.]

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 269 of 761 PageID 671 Foundation Dental Verification Script:

Hi, my name is	I am your representative in the verification department. This call is being recorded for
quality assurance. Your ver	ification number is FD-VS-020117MBK.
This call will confirm that yo	ou do understand that you are purchasing a dental insurance plan offered through My
Benefits Keeper and Med-S	ense Guaranteed Association (MSGA), underwritten by National Casualty Company, and that
your agent of record is	at (Company Name) . Ok? [Wait for response.]
Please state your full name	and address for the recording. [Wait for response.]

## Not Available in: AK, CO, GA, KS, ME, MD, MI, MT, NH, NC, SD, VT, WA, WY

I would like to verify your understanding that what you are purchasing is a membership in the Med-Sense Guaranteed Association. As a member of this association you are entitled to many benefits such as Sprint, ID resolution, floral discounts, gym America, vitamin discounts, car rental, and car perks. Your membership also includes the Foundation Dental Plan underwritten by National Casualty Company. [Wait for response]

You understand that your plan pays for covered expenses based on the maximum reimbursement for the following benefits (Only read the selected benefit level):

Protector	Defender	Guardian
<b>\$0</b>	\$50	<mark>\$50</mark>
\$500	\$1,000	\$1,500
Y	Y	Y
100%	100%	100%
3 Mos.	None	None
PPO Discount only*	70%	<mark>70%</mark>
*	6 Mos.	6 Mos.
PPO Discount only*	PPO Discount only*	50%
*	*	12 Mos.
	\$0 \$500 Y 100% 3 Mos. PPO Discount only*	\$0 \$50 \$500 \$1,000 Y Y 100% 100% 3 Mos. None PPO Discount only* 70% * 6 Mos.

\*(**DO NOT** read the following in **MA, NC, NJ, and VA**) You understand that you have access to the Maximum Care PPO Network, and you are able to receive Participating Provider discounts on all classes of service, with no waiting periods to access the network. Is this correct? **[Wait for response]** 

subsequent monthly payments will be withdrawn on the 28<sup>th</sup> of the month, is this correct? [Wait for response] (Not Available in FL, MT, UT, VT or WA) Included with your Foundation Dental plan is the EyeMed Vision plan. The EyeMed Vision plan is a discount program that offers you savings of 20% to 40% on the retail price of eyewear, and discounts on exams through the Access network. With EyeMed, you are able to order replacement contact lenses by mail. As a member, you also receive 15% off standard prices or 5% off promotional prices, and free exams for LASIK through LASIKPlus.

(Read for all) You understand your effective date will be the first of the month following your enrollment, and

- This is just to confirm your understanding that the EyeMed Vision package you are purchasing is a discount plan only and is not insurance. Do you understand? [Wait for response]
- Please confirm that you would like to purchase this discount plan. [Wait for response]

You understand that your policy and ID card will be provided electronically? [Wait for response]

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Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state within your 30-day free look period.

You have also agreed to purchase the Foundation Vision plan, for a monthly cost of \$\_\_\_\_\_\_. Is this correct? [Wait for response]

You understand that this policy utilizes the Vision Plan Services Network (VSP), and that by visiting a provider that participates in the VSP network, you will receive vision insurance benefits, including the following:

- Eye Examinations, once every 12 months, after a \$10 copay
- Lenses, once every 24 months, after a \$25 copay
- Frames, once every 24 months, to a maximum of \$130
- Elective Contact Lenses Fitting and Evaluation, once every 24 months, covered in full after a \$60 copay
- Elective Contact Lens Materials covered in full to a maximum of \$130, in lieu of frame and lenses
- Visually Necessary Contact Lenses, once every 24 months, covered in full

#### Is this correct? [Wait for response]

You understand that if you choose to visit a non-participating provider, you will receive reimbursement for each service, subject to the amount listed on your Schedule of Benefits. Is this correct? [Wait for response]

You understand that the maximum benefit for all vision services and materials is \$1,000, correct? [Wait for response] Please review your policy for any additional exclusions, limitations and acknowledgments specific to your state. Ok? [Wait for response]

#### **Verify Billing Information**

(Credit Card only verify last 4 digits of card number and expiration date/For Bank Account, verify bank name, routing number and last 4 digits of account number) DO NOT VERIFY ENTIRE ACCOUNT NUMBER OR CVV CODE ON RECORDING FOR ANY REASON!!!!

You understand that your first payment of \$ wi	ill be processed today, you will see that payment withdrawr
within the next 24 hours, and your plan becomes effect	ive on dd/mm/yyyy, correct? [Wait for response.]
You understand that your next month's payment is \$	and will be automatically processed from your
account on the 28th of each month, is this correct? [Wa	ait for response.]

You understand you are signing up for an automatic payment plan. Do you agree that My Benefits Keeper ("MBK") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify MBK or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by MBK or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that MBK or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that MBK or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

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You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on My Benefits Keeper or the Nationwide family of companies, you do understand this, correct? [Wait for response.]

Please note there is a 30 day review period for this policy. Please make sure to read your policy benefits and Limitations and Exclusions within your 30 day review period. You can access your policy online at www.mybenefitskeeper.com or call customer service if you do not have access to a computer to have your documents mailed to you at no additional cost. A refund of your initial payment and all fees will be processed if you are not satisfied with the plan you have just purchased during this free look period. Please allow time for processing. To cancel your policy at any time, just notify MBK in writing. (All contact information will be in your kit)

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. If you have any questions at any time, please call MBK Member Services at 877-376-5831.

I understand that My Benefits Keeper, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by call MBK at 877-376-5831 or emailing <a href="mailto:support@mybenefitskeeper.com">support@mybenefitskeeper.com</a>. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice signature carefully to ensure my understanding of all provisions of the coverage. IF YOU ARE IN AGREEMENT WITH THIS CONSENT, PLEASE SAY "YES" [Wait for response.]

I authorize My Benefits Keeper, Inc. and its agents or independent contractors to contact me at my current landline and/or cellular number and any future cellular phone number, email address, or wireless device with information related to my account, my policies, or to receive general information from MBK. I also authorize MBK and its agents and independent contractors to use automated telephone dialing equipment, artificial or pre-recorded voice or text messages, and emails in their efforts to contact me. Furthermore, I understand that this consent is not a condition for the purchase of my insurance policies, and I may withdraw this consent at any time by submitting my request in writing to MBK.

If you agree and consent to this communications authorization, please say 'I agree.' [Wait for response.]
Great! For your protection Mr. /Mrs, just so I can confirm your understanding and agreement to the terms and conditions of the medical insurance plan, please verify by saying "YES." [Wait for response.]
That completes your verification!!!

Foundation	Dental	Verification	Script:
i ouiiuatioii	DCIICAI	v Ci ilication	JCI IPC.

Hi, my name is	I am your representative in the verification department. This call is being
recorded for quality assurance	e. Your verification number is FD-VS-03172016.
This call will confirm that you	do understand that you are purchasing a dental insurance plan offered

through Health Insurance Innovations and Med-Sense Guaranteed Association (MSGA), underwritten by National Casualty Company, and that your agent of record is \_\_\_\_\_\_ at (Company Name). Ok?

[Wait for response.]

Please state your full name and address for the recording. [Wait for response.]

# Not Available in: AK, CO, GA, KS, ME, MD, MI, MT, NH, NC, SD, VT, WA, WY

I would like to verify your understanding that what you are purchasing is a membership in the Med-Sense Guaranteed Association. As a member of this association you are entitled to many benefits such as Sprint, ID resolution, floral discounts, gym America, vitamin discounts, car rental, and car perks. Your membership also includes the Foundation Dental Plan underwritten by National Casualty Company. [Wait for response]

You understand that your plan pays for covered expenses based on the maximum reimbursement for the following benefits (Only read the selected benefit level):

<u>Benefits</u>	Protector	Defender	<b>Guardian</b>
Plan Year Deductible (Per Person)	<b>\$0</b>	\$50	<mark>\$50</mark>
Plan Year Maximum Benefit (Calendar Year)	\$500	\$1,000	\$1,500
Deductible Waived In-Network Preventative	Y	Y	Y
Diagnostic & Preventative Services (% of Covered Expenses)	100%	100%	100%
Diagnostic & Preventative Services- Benefit Waiting Period	3 Mos.	None	None
Basic Services (% of Covered Expenses)	PPO Discount only*	70%	<mark>70%</mark>
Basic Services-Benefit Waiting Period	*	6 Mos.	6 Mos.
Major Services (% of Covered Expenses)	PPO Discount only*	PPO Discount only*	<mark>50%</mark>
Major Services-Benefit Waiting Period	*	*	12 Mos.

\*(DO NOT read the following in MA, NC, NJ, and VA) You understand that you have access to the Maximum Care PPO Network, and you are able to receive Participating Provider discounts on all classes of service, with no waiting periods to access the network. Is this correct? [Wait for response] (Read for all) You understand your effective date will be the first of the month following your enrollment, and subsequent monthly payments will be withdrawn on the 28<sup>th</sup> of the month, is this correct? [Wait for response]

(Not Available in FL, MT, UT, VT or WA) Included with your Foundation Dental plan is the EyeMed Vision plan. The EyeMed Vision plan is a discount program that offers you savings of 20% to 40% on the retail price of eyewear, and discounts on exams through the Access network. With EyeMed, you are able

to order replacement contact lenses by mail. As a member, you also receive 15% off standard prices or 5% off promotional prices, and free exams for LASIK through LASIKPlus.

- This is just to confirm your understanding that the EyeMed Vision package you are purchasing is a discount plan only and is not insurance. Do you understand? [Wait for response]
- Please confirm that you would like to purchase this discount plan. [Wait for response]

You understand that your policy and ID card will be provided electronically? [Wait for response] Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state within your 30-day free look period.

#### **ONLY READ IF FOUNDATION VISION IS PURCHASED**

You have also agreed to purchase the Foundation Vision plan, for a monthly cost of \$\_\_\_\_\_\_. Is this correct? [Wait for response]

You understand that this policy utilizes the Vision Plan Services Network (VSP), and that by visiting a provider that participates in the VSP network, you will receive vision insurance benefits, including the following:

- Eye Examinations, once every 12 months, after a \$10 copay
- Lenses, once every 24 months, after a \$25 copay
- Frames, once every 24 months, to a maximum of \$130
- Elective Contact Lenses Fitting and Evaluation, once every 24 months, covered in full after a \$60 copay
- Elective Contact Lens Materials covered in full to a maximum of \$130, in lieu of frame and lenses
- Visually Necessary Contact Lenses, once every 24 months, covered in full

# Is this correct? [Wait for response]

You understand that if you choose to visit a non-participating provider, you will receive reimbursement for each service, subject to the amount listed on your Schedule of Benefits. Is this correct? [Wait for response]

You understand that the maximum benefit for all vision services and materials is \$1,000, correct? [Wait for response]

Please review your policy for any additional exclusions, limitations and acknowledgments specific to your state. Ok? [Wait for response]

#### **Verify Billing Information**

(Credit Card only verify last 4 digits of card number and expiration date/For Bank Account, verify bank name, routing number and last 4 digits of account number) DO NOT VERIFY ENTIRE ACCOUNT NUMBER OR CVV CODE ON RECORDING FOR ANY REASON!!!!

You understand that your first payment of \$\_\_\_\_\_ will be processed today, you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on <a href="mailto:dd/mm/yyyy">dd/mm/yyyy</a>, correct? [Wait for response.]

You understand that your next month's payment is \$\_\_\_\_\_ and will be automatically processed from your account on the **28th** of each month, is this correct? [Wait for response.]

You understand you are signing up for an automatic payment plan. Do you agree that Health Insurance Innovations ("HII") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

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Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify HII or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by HII or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that HII or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that HII or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or the Nationwide family of companies, you do understand this, correct? [Wait for response.]

Please note there is a 30 day review period for this policy. Please make sure to read your policy benefits and Limitations and Exclusions within your 30 day review period. You can access your policy online at <a href="www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer to have your documents mailed to you at no additional cost. A refund of your initial payment and all fees will be processed if you are not satisfied with the plan you have just purchased during this free look period. Please allow time for processing. To cancel your policy at any time, just notify HII in writing. (All contact information will be in your kit)

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. If you have any questions at any time, please call HII Member Services at 877-376-5831.

This concludes your verification. Thank you and have a wonderful day!

#### **EVEREST STM VERIFICATION**

Hi, my name is	I am your representative in the ve	rification department and this
verification number is EV	/-STMV-042916. Today's date is	This call is being
recorded for quality assu	irance.	

#### READ THE FOLLOWING IN: AL, AR, DE, DC, FL, GA, IL, IA, MS, OH, OK, PA, TX, VA, WI, WV

This call will confirm that you understand you are purchasing a short-term medical plan offered through Med-Sense Guaranteed Association (MSGA), underwritten by Everest Reinsurance Company, administered by Health Insurance Innovations, which provides up to a 364 day term of major medical insurance. Okay?

# **READ THE FOLLOWING IN: SC**

This call will confirm that you understand you are purchasing a short-term medical plan offered through Med-Sense Guaranteed Association (MSGA), underwritten by Everest Reinsurance Company, administered by Health Insurance Innovations, which provides up to an 11 month term of major medical insurance. Okay?

### READ THE FOLLOWING IN: AZ, IN

This call will confirm that you understand you are purchasing a short-term medical plan offered through Med-Sense Guaranteed Association (MSGA), underwritten by Everest Reinsurance Company, administered by Health Insurance Innovations, which provides up to a 6 month term of major medical insurance. Okay?

# READ THE FOLLOWING IN: CO, LA, NV

This call will confirm that you understand you are purchasing a short-term medical plan underwritten by Everest Reinsurance Company, and administered by Health Insurance Innovations, which provides up to a 6 month term of major medical insurance. Okay?

#### **READ THE FOLLOWING IN: OR**

This call will confirm that you understand you are purchasing a short-term medical plan underwritten by Everest Reinsurance Company, and administered by Health Insurance Innovations, which provides up to a 364 day term of major medical insurance. Okay?

You understand that Short-Term Medical insurance is not considered "minimum essential coverage" under the Affordable Care Act, also known as "Obamacare," and that you may be subject to a tax penalty? [Wait for response.]

# **READ THE FOLLOWING IN: NV**

THIS POLICY DOES NOT MEET THE MINIMUM ESSENTIAL COVERAGE REQUIREMENTS SET FORTH BY THE AFFORDABLE HEALTH CARE ACT. WE ARE REQUIRED TO NOTIFY YOU THAT YOU CAN PURCHASE INDIVIDUAL HEALTH INSURANCE PLANS OFF OF THE EXCHANGE THAT ARE COMPLIANCE WITH AFFORDABLE HEALTH CARE ACT. THESE PLANS HAVE A 90 DAY WAITING PERIOD. YOU WILL NOT HAVE COVERAGE UNTIL THE PLAN HAS BEEN IN EFFECT FOR 90 DAYS. Do you understand? [Wait for response.]

### READ THE FOLLOWING IN: AL, AZ, AR, DE, DC, FL, GA, IA, LA, NV, OH, OK, OR, PA, VA, WI, WV

You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical treatment, diagnosis, care or advice, including diagnostic tests or medications, was received from a Doctor within the 60 months immediately preceding the coverage effective date. Okay? [Wait for response.]

You understand that pre-existing conditions include conditions that produced symptoms which would have caused a reasonable, prudent person to seek diagnosis, care or treatment within the sixty-month period immediately prior to the coverage effective date. Okay? [Wait for response.]

#### READ THE FOLLOWING IN: CO

You understand that this insurance does not pay benefits for the first 6 months of coverage for conditions for which medical treatment, diagnosis, care or advice, including diagnostic tests or medications, was received from a Doctor within the 12 months immediately preceding the coverage effective date. Okay? [Wait for response.]

You understand that pre-existing conditions include conditions that produced symptoms which would have caused a reasonable, prudent person to seek diagnosis, care or treatment within the twelve-month period immediately prior to the coverage effective date. Okay? [Wait for response.]

#### READ THE FOLLOWING IN: IN

You understand that this insurance does not pay benefits for the first 6 months of coverage for conditions for which medical treatment, diagnosis, care or advice, including diagnostic tests or medications, was received from a Doctor within the 365 days immediately preceding the coverage effective date. Okay? [Wait for response.]

You understand that pre-existing conditions include conditions that produced symptoms which would have caused a reasonable, prudent person to seek diagnosis, care or treatment within the 365-day period immediately prior to the coverage effective date. Okay? [Wait for response.]

#### READ THE FOLLOWING IN: IL

You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical treatment, diagnosis, care or advice was received from a Doctor within the 24 months immediately preceding the coverage effective date. Okay? [Wait for response.]

You understand that pre-existing conditions include conditions that produced symptoms which would have caused a reasonable, prudent person to seek diagnosis, care or treatment within the twenty-four-month period immediately prior to the coverage effective date. Okay? [Wait for response.]

#### READ THE FOLLOWING IN: MS

You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical treatment, diagnosis, care or advice was received from a Doctor within the 6 months immediately preceding the coverage effective date. Okay? [Wait for response.]

You understand that pre-existing conditions include conditions that produced symptoms which would have caused a reasonable, prudent person to seek diagnosis, care or treatment within the six-month period immediately prior to the coverage effective date. Okay? [Wait for response.]

#### READ THE FOLLOWING IN: SC

You understand that this insurance does not pay benefits for the first 11 months of coverage for conditions for which medical treatment, diagnosis, care or advice was received from a Doctor within the 12 months immediately preceding the coverage effective date. Okay? [Wait for response.]

You understand that pre-existing conditions include conditions that produced symptoms which would have caused a reasonable, prudent person to seek diagnosis, care or treatment within the twelve-month period immediately prior to the coverage effective date. Okay? [Wait for response.]

#### READ THE FOLLOWING IN: TX

You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical treatment or advice was received from a Doctor within the 12 months immediately preceding the coverage effective date. Okay? [Wait for response.]

Please state your full na	me, address and e-mail for the recording. [Wait for response.]
Please verify the full nanesponse.]	me and date of birth of all proposed insureds for the policy. [Wait for
	, these questions are for all proposed insureds. Please respond to like to verify your understanding of your insurance purchase.

EV-STMV-042916 File #1593742 You understand that that the Everest program is a Short-Term Medical insurance plan. The coverage is not renewable and will terminate at the end of the coverage period. You understand this, correct? [Wait for response.]

You understand that you have purchased a [Prepaid: \_\_\_ day policy] or [Monthly: 6 month or 364 day policy] and that you must qualify under a new application for insurance for a new short term medical plan as the coverage is not renewable? [Wait for response.]

Do you understand that if you had a prior short-term medical plan with Everest Reinsurance Company, you must qualify under a new application for insurance to be eligible for a new short-term medical plan? You understand this, correct? [Wait for response.]

Do you understand that if you are deemed eligible, your new short-term plan will have a new effective date, new pre-existing conditions limitation, new deductibles, new coinsurance limits, and new Maximum Out-of-Pocket and Maximum Limits? Is this correct? [Wait for response.]

# Read the following if the "Pre-Ex Rider" option is selected:

You understand that with the pre-ex waiver option, you will have the option to complete a simplified application form to re-apply for another coverage term after this coverage term. Is this correct? [Wait for response.]

You understand that, if you re-apply at least 30 days prior to the termination date of this coverage and we accept your application, a new coverage period will be issued beginning the day after this coverage terminates? Is this correct? [Wait for response.]

Do you understand your certificate for any subsequent coverage term will have a new effective date, new deductibles, and new coinsurance limits and Maximum Out-of-Pocket and Maximum Limit will apply? Is this correct? [Wait for a response.]

Do you understand that the pre-existing conditions limitation in any subsequent coverage will not apply to conditions covered during this coverage period and any other pre-existing conditions will remain subject to the limitations described in you certificate? Is this correct? [Wait for a response.]

I do have some medical questions to go over. These medical questions apply to all family members applying for coverage. You do understand that if you falsify, misrepresent or neglect to answer any question accurately, this may nullify the application and void all benefits of the policy. You do understand this, correct? [Wait for response.]

EXCEPT WHERE NOTED, READ THE FOLLOWING IN: AL, AZ, AR, CO, DE, DC, FL, GA, IA, IN, IL, LA, MS, NV, OH, OK, OR, PA, SC, TX, VA, WI, WV

- DO NOT ASK VA RESIDENTS THIS QUESTION -- Is the Applicant or any Proposed Covered Person eligible for Medicaid or Medicare? Yes/No [Wait for Response.]
   If yes: This coverage cannot be issued.
- 2. Is the Applicant or any Proposed Covered Person:
  - a. Now pregnant, an expectant parent, in process of adoption or undergoing infertility treatment? Yes/No [Wait for Response.] If yes: This coverage cannot be issued.
  - b. Over 325 pounds if male, or over 275 pounds if female? Yes/No [Wait for Response.] If yes: This coverage cannot be issued.
- 3. Will the Applicant or any Proposed Covered Person have any other group major medical health insurance or individual major medical health insurance in force on the requested effective date? Yes/No [Wait for Response.] If yes: This coverage cannot be issued.
- 4. Within the last 5 years has any applicant been diagnosed with, received treatment, abnormal test results, medication, consultation for, or had symptoms of any of the following:
  - **DO NOT ASK DC RESIDENTS THIS QUESTION** Insulin or medication dependent diabetes except gestational? Yes/No [Wait for Response.]
  - Stroke, transient ischemic attack (TIA), cancer or tumor except basal cell skin cancer? Yes/No [Wait for Response.]
  - Crohn's disease, ulcerative colitis, rheumatoid arthritis, systemic lupus, chronic obstructive pulmonary disease (COPD), emphysema, cystic fibrosis?
     Yes/No [Wait for Response.]
  - Hepatitis C, multiple sclerosis, muscular dystrophy? Yes/No [Wait for Response.]
  - Alcohol or drug abuse; bipolar disorder or schizophrenia; hospitalization for mental disorder, an eating disorder; or any diseases or disorders of the following: liver, kidney, blood, pancreas, lung, brain, heart or circulatory including heart attack or catheterization? Yes/No [Wait for Response.]

If the answer was "yes" to any of these questions: This coverage cannot be issued.

- 5. Within the past 5 years, has the Applicant or any Proposed Covered Person been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or tested positive for Human Immunodeficiency Virus (HIV)? Yes/No [Wait for Response.] If yes: This coverage cannot be issued. Residents of Wisconsin do not need to disclose HIV test results.
- 6. If the Applicant and all Proposed Covered Person(s) are United States citizens, please answer "No" to this question. [Wait for Response. <u>If No</u>, move on with script.]

<u>If the answer is "Yes"</u>: Has that person resided outside the United States for more than 4 weeks over the last 12 months? Yes/No [Wait for Response. <u>If No, move on with script.</u>] <u>If yes</u>: This coverage cannot be issued.

# READ THE FOLLOWING ONLY IN: CO

Have you or any other person to be insured been covered under two or more nonrenewable short-term policies during the past 12 months? Yes/No [Wait for response.]

<u>If yes</u>: Then this coverage cannot be issued. You must wait 6 months from the date of your last such policy to apply for a short-term policy.

# READ THE FOLLOWING ONLY IN: SC

Has the Applicant or any Proposed Covered Person been covered under any individual or group medical, hospital or surgical insurance in the 30 days prior to the Requested Effective Date?

<u>If yes</u>: Then this coverage cannot be issued. You must wait 30 days from the date of your last such policy to apply for a short-term policy.

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Your responses to the information that follows will confirm your understanding of your insurance purchase.

You have requested that your insurance become effective on: \_\_\_\_\_\_. Is this correct? [Wait for response.]

You understand your plan includes a deductible of [\$1,000/\$2,500/\$5,000/\$7,500/\$10,000]. Your co-insurance will be [50/50 or 70/30 or 80/20 or 100/0]. Then the insurance company pays 100% up to [\$250,000/\$750,000/\$1,000,000/\$1,500,000]. You understand this, correct? [Wait for response.]

You understand that this policy includes [\$30/\$40/\$50] Co-Pays that will cover Doctor Office and Urgent Care Center visits for illness or injury per person. After a Co-Payment, the co-insurance will apply. This benefit is not subject to the deductible. Is this correct? [Wait for response.]

# READ THE FOLLOWING IN: AL, AZ, AR, CO, DE, DC, FL, GA, IA, IN, IL, LA, MS, NV, OH, OK, OR, PA, SC, TX, VA, WI, WV

You understand that accidental injuries are covered on the effective date of your insurance coverage but treatment of sickness is not covered unless the sickness is treated and/or symptoms occur more than 5 days after the effective date. Is this correct? [Wait for response.]

# READ THE FOLLOWING IN: AL, AZ, AR, CO, DE, DC, FL, GA, IA, IN, IL, LA, MS, NV, OH, OK, OR, PA, SC, TX, VA, WI, WV

You understand that you will only be entitled to receive benefits for Cancer if the sickness is treated and/or symptoms occur more than 30 days after your effective date? [Wait for response.]

You understand that this policy does not pay for benefits for expenses resulting from any of the following:

- Obesity
- Prescription Drugs
- Maternity or well-baby care
- Non Medically Necessary Care
- Charges that exceed the Maximum Allowable Expense
- Occupational Injury or sickness

You understand this, correct? [Wait for response.]

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A listing of complete limitations and exclusions specific to your state can be found by logging into your account at <a href="https://www.hiiguote.com">www.hiiguote.com</a>. Understand?

#### **Non-Insurance Benefits**

# (Only read when Choice Value Savings is purchased)

In addition to your insurance policy, you have access to the Choice Value Savings program a great way for you and your family to save money on out-of-pocket medical expenses. Your savings start from the first dollar, with no limits. This cost savings program gives members access to pre-negotiated, lowered rates. With Choice Value Savings, there are no:

- Claims forms
- Limitation on usage
- Age restrictions

As a member of Choice Value Savings you and your family will have access to discount programs such as the Aetna Dental Access network, prescription discount benefits, discounts on alternative medicine, discounts on pet medicine, medical and diabetic supplies and access to a 24/7 Health Information line along with many other savings programs. A complete listing of program benefits is available at www.hiiquote.com. You understand that Choice Value Savings is neither provided by nor associated with Everest Reinsurance Company and does not provide insurance benefits? [Wait for response]

# (Only read when Value Benefits Package is included)

Included in the plan cost is the Value Benefits Package (VBP). As a part of VBP you recieve many benefits such as the Kare360 Patient Advocacy Program, 24/7 Nurseline, roadside assistance, Lenscrafters vision club, Office Depot discounts, UPS discounts, and car rentals discounts. Is this correct? Value Benefits Package is not part of the insurance plan nor is it affiliated with Everest Reinsurance Company. You understand this, correct? [Wait for response]

#### **Rx Helpline**

Included in the monthly cost is the RX Helpline Prescription Advocacy program. The RX Helpine is a prescription savings program that helps you save money on your prescription medications. Rx Helpline is not part of the insurance plan nor is it affiliated with Everest Reinsurance Company. You understand this, correct? [Wait for response]

#### ScripPal

As part of your membership, you will also receive a discount pharmacy and medical savings card. ScripPal Rx will allow you to save an average of 46%, with potential savings of up to 75%, at more than 60,000 pharmacies nationwide. This card can be used for your entire family, including pets and it never expires. Discounts are available exclusively through participating

pharmacies and providers. The range of discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. Pharmacy locator and prescription drug look-up is available at <a href="www.yourdiscountrx.com/scrippal/">www.yourdiscountrx.com/scrippal/</a>. This benefit is not affiliated with Everest Reinsurance Company. You understand this, correct? [Wait for response.]

#### **TELADOC**

NOT AVAILABLE IN AR - Included in the monthly cost is the TelaDoc benefit. With Teladoc, you have access to a National Network of Board Certified Physicians who provide diagnostic consultations via telephone 24 hours a day, 365 days a year. There is a one-time registration cost of \$10 required before the first consultation. All future calls are guaranteed within one hour, and the consultation is at no cost to you. Every participant is given a user name and access to their Teladoc fulfillment document online.

You understand there is a \$\_\_\_\_\_ onetime cost for TELADOC services. Is this correct? [Wait for response]

Prescriptions by phone consult are not available in Idaho. Teladoc is not part of the insurance plan nor is it affiliated with Everest Reinsurance Company. You understand this, correct? [Wait for response.]

# **CHIRO AND PODIATRY CARE PLUS**

Included in the monthly cost is the Chiro and Podiatry Care Plus. The Chiro and Podiatry Care Plus package is a discount medical plan that allows you access to the ChooseHealthy program which utilizes a network of more than 28,000 credentialed, complementary health care providers including 20,000 chiropractors. Members receive 25% off normal fees for services. The plan also provides you access to Healthcare Networks of America podiatry services. Members receive savings of 20-50% on the provider's normal fees. Additionally, you will receive discounts on lab tests, diagnostic imaging, vitamins and supplements, and popular brand name pet meds.

You understand there is a \$\_\_\_\_\_ onetime cost for Chiro and Podiatry Care Plus services. Is this correct? [Wait for response]

This benefit is not affiliated with Everest Reinsurance Company. You understand this, correct? [Wait for response.]

#### **PEP**

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This also includes a benefit for PEP. PEP is an online personal health and wellness program designed to help members achieve goals regardless of age, gender or level of fitness. PEP offers members access to health calculators for easy tracking and self-assessments; health information from a professional staff; daily health tips on nutrition, weight loss, and exercise and disease prevention; as well as the ability to obtain the same core workouts used by many professional athletes.

You understand there is a \$\_\_\_\_\_ onetime cost for PEP services. Is this correct? [Wait for response]

This benefit is not affiliated with Everest Reinsurance Company. You understand this, correct? [Wait for response.]

# ONLY READ IF Ally RX PLAN IS PURCHASED: Not Available in AK, KS, MI, ME, MD, MT, NV, NY, NC, OR, SD, UT, and NM.

You understand that you have also agreed to purchase the Ally Rx plan, with Pharmacy Benefits provided by dataRx, for a monthly cost of \$\_\_\_\_\_\_. This plan offers \$10 copays for preferred generic prescriptions or \$30 copay for mail order, up to a monthly benefit period maximum of \$200 per covered individual or \$400 per covered family. You understand that this plan does not have a co-pay for brand name prescriptions, but does offer a discount on brand names when purchased with the Ally Rx card. Your effective date will be \_\_\_\_\_\_. This benefit will bill on a recurring billing on the \_\_\_\_\_ of every month thereafter and will remain in force when your short-term medical plan expires. Is this correct? [Wait for response]

IF ANY ANCILLARY PRODUCTS HAVE BEEN SOLD, PLEASE USE ANCILLARY SCRIPT TO PROVIDE REQUIRED CARRIER SCRIPT BEFORE PROCEEDING TO PAYMENT INFO AND VOICE CONSENTS.

Now, your first month's total for insurance and non-insurance benefits will be \$ Each
month after that will be \$ This will be billed today to your [Visa, Mastercard, ACH],
correct? [Wait for response.]
You understand that the total cost for your short-term medical coverage is \$ [amount if pre-paying or "per month" if monthly].
Verify Billing Information – <b>DO NOT</b> verify entire account number or CVV Code on recording for
<mark>any reason.</mark>

Credit Card – Verify last 4 digits and expiration date

ACH – Verify bank name, routing number and last 4 digits of account number

You understand that your first payment will be processed today, and you will that payment withdrawn within the next 24 hours, and your plan becomes effective on [dd/mm/yyyy], correct?

Your next month's payment and each recurring monthly payment thereafter will be automatically processed from your account on [the effective date] for the term of the coverage. You understand this, correct? [Wait for response.]

You understand you are signing up for an automatic payment plan. Do you agree that Health Insurance Innovations ("HII") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify HII or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by HII or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that HII or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that HII or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

If you cancel your insurance or if we are unable to collect your premium on your billing date, your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or Everest Reinsurance Company. You understand this, correct? [Wait for response.]

An email will be sent to the e-mail address you provided, giving you the ability to download, print and review your application for insurance, I.D. cards, insurance certificate, schedule of benefits, insurance privacy notice, and any other state-specific or company forms. You will also receive a copy of the welcome letter and ID cards in the mail within 7 to 10 business days.

Please review your policy benefits and Limitations and Exclusions within your 10-day free look period. You can access your policy online at <a href="https://www.hiiquote.com">www.hiiquote.com</a> or call customer services if you do not have access to a computer. If you have any questions at any time, please call HII Member Services at 877-376-5831. You understand this, correct?

You understand that an overview of the Association, if applicable, and Security & Privacy disclaimers are available for to you review on the internet at <a href="https://www.hiiguote.com/everest">https://www.hiiguote.com/everest</a>.

NOTICE OF VOICE CONSENT TO ELECTRONIC TRANSACTIONS, SIGNATURES AND DOCUMENTS

I consent to use of electronic signatures of documents which would otherwise only be valid if they were in writing. Is this correct? [Wait for response.]

We want to confirm that you agreed to completion of your application for the insurance plan and any applicable benefit programs over the telephone, and that the plan benefits, legal notices and cost of the insurance were reviewed with you. Do you agree that your voice consent will serve as your signature? [Wait for response.]

I understand that Health Insurance Innovations, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by call HII at 877-376-5831 or emailing <a href="mailto:support@hiiquote.com">support@hiiquote.com</a>. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice signature carefully to ensure my understanding of all provisions of the coverage.

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IF YOU ARE IN AGREEMENT WITH THIS CONSENT, F	PLEASE SAY "YES." [Wait for response.]
Great! For your protection Mr./Mrs, agreement to the terms and conditions of the med "YES." [Wait for response.]	,
That completes your verification!!!	

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# **HCC LIFE/HEALTHEMED GOLD STM VERIFICATION**

Hi, my name is I am your representative in the verification department and this verification number is HCC-STMG-010116. Today's date is This call is being recorded for quality assurance.
[Read the following in CO, CT, IA, RI and NH] This call will confirm that you do understand that you are purchasing a short-term medical plan offered through Consumer Benefits of America (CBA), underwritten by HCC Life Insurance Company, and administered by Health Insurance Innovations, which will provide a (6 or 11) month term of major medical insurance and that your agent of record is at(Company Name) Ok? [Wait for response.]
[Read the following in ALL OTHER STATES]  This call will confirm that you do understand that you are purchasing a short-term medical plan underwritten by HCC Life Insurance Company, administered by Health Insurance Innovations, which will provide a (6 or 11) month term of major medical insurance and that your agent of record is at(Company Name) Ok? [Wait for response.]
You understand that Short-Term Medical insurance is not considered "minimum essential coverage" under the Affordable Care Act, also known as "Obamacare," and that you may be subject to a tax penalty. [Wait for response.]
You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical advice, care, diagnosis, treatment, consultation, or medication was recommended by or received from a Doctor within the 60 months immediately preceding the coverage effective date. If you have a condition that has manifested itself or shows signs or symptoms where a reasonably prudent person would seek medical attention, it will be considered pre-existing regardless of whether you have been diagnosed or treated for the condition previously. This limitation may vary by state, and does not apply to the prescription discount benefit. Is this correct? [Wait for response.]
Please state your full name, address and email for the recording. [Wait for response.]
Please verify the name and date of birth of all persons listed on the policy. [Wait for response.]
Now (Mr. /Ms.), these questions are for all proposed insured. Please respond to each question. I would like to verify your understanding of your insurance purchase.
You understand that the Insurance program is a Short Term Medical insurance plan. The coverage is non-renewable and will terminate at the end of the coverage period. <b>Yes / No</b> [Wait for response.]
Do you understand that if you had a prior short-term medical plan with HCC Life Insurance Company, you must qualify under a new application for insurance to be eligible for a new short-term medical plan? You do understand this, correct? [Wait for response.]

limits? Is this correct? [Wait for a response.]

Do you understand that if you are deemed eligible, your new short-term medical plan will have a new effective date, new preexisting conditions limitation, new deductibles, and new coinsurance

## [State-specific prior coverage questions.]

**READ ONLY FOR IDAHO:** Do you understand that if you had a prior short-term medical plan with HCC Life Insurance Company, you must wait 75 days from the termination date of that policy before you may re-apply for another HCC Life short-term medical plan? [Wait for response.]

**COLORADO ONLY:** Has any person proposed for coverage been covered under two or more nonrenewable short-term polices during the past 12 months? If "yes" then this coverage cannot be issued. You must wait 6 months from the date of your last such policy to apply for a short-term policy. **Yes / No [Wait for response]** 

**NORTH CAROLINA ONLY:** Has any applicant been covered by a short term medical insurance policy, issued by any insurance company, within six months of the Requested Effective Date? *If* "yes" then this coverage cannot be issued. **Yes / No [Wait for response]** 

**NEW HAMPSHIRE ONLY:** Have you or any other person to be insured been covered under two or more nonrenewable short-term policies during the past twelve months? *If "yes" then this coverage cannot be issued.* **Yes / No [Wait for response]** 

MAINE ONLY:	Have you or any other person to be insured been covered under a nonrenewable
short-term po	licy during the past 12 months? Yes / No [Wait for response] If ""Yes" for how
long?	This new coverage combined with any prior successive short term coverage
cannot exceed	11 months.

CONNECTICUT and	<b>WISCONSIN RESIDENTS ONLY:</b> Have you had prior coverage with a HCC Life
Short Term Medical	policy in the last twelve months? Yes / No [Wait for response] If ""Yes" how
many?	If member has had two HCC Short Term policies in a rolling twelve month
period, this coverage	cannot be issued.

I do have some medical questions to go over. These medical questions apply to all family members applying for coverage. You do understand if you falsify or neglect to answer any question accurately, this will nullify the application and void all benefits of the policy. You do understand this, correct? [Wait for response]

(NOTE-THE FOLLOWING QUESTIONS ARE FROM THE GENERIC STATES APPLICATION. Alaska, Georgia, Indiana, Nebraska, North Dakota, Connecticut, Kentucky, Colorado, Maryland, and New Mexico have state specific questions. Please verify the applicant's state of residence and verify correct questions.)

# IF ARIZONA, HAWAII, KANSAS or VIRGINIA READ: {"Yes" response will disqualify applicant}

 Will any applicant have other health insurance in force on the policy effective date? Yes / No [Wait for response.]

# Other States: {"Yes" responses on Q.1-4 and "No" response on Q. 5 will disqualify applicant}

- Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? (Texas Residents are not required to answer this question.) Yes / No [Wait for response.]
  - a. IF OKLAHOMA, VIRGINIA or WEST VIRGINIA ALSO READ: If so, do you intend to replace your current accident and sickness insurance with this policy (contract) Yes / No [Wait for response.]
- **2.** Are you or any applicant:

- **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
- **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for or experienced signs or symptoms of any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No [Wait for response**]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** Rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No** [Wait for response]
  - **d.** Alcohol abuse, chemical dependency or any neurological disorder? **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? Residents of WI do not need to disclose HIV test results. **Yes / No [Wait for response.]**
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.**]

# ALASKA, GEORGIA, INDIANA, NEBRASKA or NORTH DAKOTA READ: {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No [Wait for response.]**
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No [Wait for response]**
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - **d.** alcohol abuse, chemical dependency, or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? **Yes / No [Wait for response.]**
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.**]

# **CONNECTICUT READ:** {Yes responses on Q.1-5 and No response on Q. 6 will disqualify applicant}

- **1.** Will you have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No [Wait for response.]**
- **2.** Have you:

- **a.** Been denied insurance due to any health reasons for a condition that is still present? **Yes / No [Wait for response.]**
- **b.** Now pregnant, in process of adoption or undergoing infertility treatment? **Yes / No** [Wait for response.]
- **c.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years have you been diagnosed, treated, or taken medication or experienced signs or symptoms for any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [Wait for response]
  - **b.** COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge **Yes/No** [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - **d.** alcohol abuse, chemical dependency, mental/nervous disorders or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant ever had, been told they had or has any applicant ever been treated for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or AIDS related conditions? **Yes / No [Wait for response.]**
- 5. Are you a sole proprietor or a self-employed individual that: (1) is actively at work for a minimum of (30) thirty hours per week; and (2) has been in business for (3) three consecutive months? By stating "No" you certify to HCC Life that you are not a sole proprietor or self-employed as stated. Yes / No [Wait for response.]
- **6.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.]**

#### **KENTUCKY READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date? **Yes / No [Wait for response.]** 
  - **a.** List any health insurance policies you currently have in force by name of insurer and amount of insurance:
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed or treated for any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [**Wait for response**]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - d. alcohol abuse, chemical dependency, or any neurological disorder Yes/No [Wait for response]
- **4.** Within the last 5 years has any applicant tested positive for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? **Yes / No** [**Wait for response.**]
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No** [Wait for response.]

#### **COLORADO READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No [Wait for response.]**
- **2.** Have/Are you, or any applicant:
  - **a.** Been denied insurance due to any health reasons for a condition that is still present (Does not apply to residents of MO)? **Yes / No** [**Wait for response.**]
  - **b.** Now pregnant, in process of adoption or undergoing infertility treatment? **Yes / No** [Wait for response.]
  - c. Over 300 pounds if male or over 250 pounds if female? Yes / No [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for or experienced signs or symptoms of any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [Wait for response]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No** [Wait for response]
  - **d.** alcohol abuse, chemical dependency, or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? Residents of WI do not need to disclose HIV test results. **Yes / No [Wait for response.]**
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **Yes / No** [**Wait for response.**]

# **NEW MEXICO READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- 1. Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? Yes / No [Wait for response.]
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed by a physician, treated, or taken medication for any of the following:
  - a. Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery Yes/No [Wait for response]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No** [Wait for response]
  - **d.** alcohol abuse, chemical dependency, or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? **Yes / No [Wait for response.]**
- 5. If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.**]

## **MAINE READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No** [**Wait for response.**]
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No [Wait for response.**]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for or experienced signs or symptoms of any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [Wait for response]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** Rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - **d.** Alcohol abuse, chemical dependency or any neurological disorder? **Yes/No** [**Wait for response**]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS)? Answer "NO" if you have tested positive for HIV but have not developed symptoms of the disease AIDS or ARC. **Yes / No [Wait for response.]**
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.**]

# [Read the following in CT]

Dr. Office and urgent care visits are subject to the deductible and coinsurance.

#### [Read the following in ALL OTHER STATES]

Your policy includes \$50 Co-pays for Urgent Care Center visits for illness or injury per person. After a \$50 co-payment the coinsurance will apply. This benefit is not subject to the deductible. Dr. Office visits for sickness or injury are subject to the deductible and coinsurance.

Your plan also includes a deductible of (500/1000/2500/5000/7500). Your co-insurance will be (80/20 or 50/50 of \$5000). Then the insurance company pays 100% up to \$2,000,000. You do understand this, correct? [Wait for response.]

You have requested that your insurance become effective on:	Is this correct? [Wait for
response.	

You understand that accidental injuries that occur on or after your effective date are covered on the effective date of your insurance coverage. Injuries that occur prior to your effective date are excluded. You understand that treatments for sickness are not covered until at least 72 hours after the effective date. The waiting period for sickness may not apply in your state. Is this correct? [Wait for response.]

You understand this policy doesn't pay for benefits for expenses resulting from any of the following: **Routine medical examinations such as Physicals or Immunizations, Prescription** 

drugs, Obesity, Maternity or well-baby care, Non Medically necessary care, Expenses that are not Usual and Customary. Please refer to your policy for a complete listing of limitations and exclusions and Security and Privacy disclaimers which can be found by logging into your account at <a href="https://www.hiiguote.com">www.hiiguote.com</a>.

[Read the following in CO, CT, IA, RI and NH] As part of your membership in the Consumer Benefits of America association, you will also receive a discount pharmacy and medical savings card offered by Vantage America Solutions. This card offers you average prescription discount savings of 5-15% off the cash price of brand name drugs, and average 15-40% off the price of generic drugs. You will also realize immediate savings of 15%-70% on Lab Testing,\* 25%-80% on MRI and CT scans and 5%-30% on Diabetic Supplies. Additionally, you can save 10%-35% on Dental Care, 10%-30% on Vision Care and 15% on Hearing Equipment. These benefits are provided by Vantage America Solutions and are not affiliated with HCC Life Insurance Company. You understand this, correct? [Wait for response.]

[Read the following in ALL STATES] As part of your membership you will also receive prescription discount benefits. ScripPal will allow you to save an average of 46%, with potential savings of up to 75% at more than 60,000 pharmacies nationwide. This card can be used for your entire family, including pets and it never expires. Discounts are available exclusively through participating pharmacies and providers. The range of the discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. Pharmacy locater and prescription drug look-up is available at <a href="https://www.yourdiscountrx.com/scrippal/">www.yourdiscountrx.com/scrippal/</a>

for a list of any exclusions, limitations and acknowledgements specific to your state. Ok? [Wait for response.]

**Included in the monthly plan cost is the TelaDoc benefit.** Not available in AR. With Teladoc, you have access to a National Network of Board Certified Physicians who provide diagnostic consultations via telephone 24 hours a day, 365 days a year. There is a one-time registration cost of \$10 required before the first consultation. All future calls are guaranteed within one hour, and the consultation is at no cost to you. Every participant is given a user name and access to their Teladoc fulfillment document online.

*Prescriptions by phone consult are not available in Idaho*. Teladoc is not a part of the insurance plan nor is it affiliated with the insurance company.

**Included in the plan cost is the Chiro and Podiatry Care Plus.** The Chiro and Podiatry Care Plus package is a discount medical plan that allows you access to the ChooseHealthy program which utilizes a network of more than 28,000 credentialed, complementary health care providers including 20,000 chiropractors. Members receive 25% off normal fees for services. The plan also provides you access to Healthcare Networks of America podiatry services. Members receive savings of 20-50% on the provider's normal fees. Additionally, you will receive discounts on lab tests, diagnostic imaging, vitamins and supplements, and popular brand name pet meds. *Is this correct?* **[Wait for response]** 

ScripPal: As part of your membership you will also receive prescription discount benefits. ScripPal will allow you to save an average of 46%, with potential savings of up to 75% at more than 60,000 pharmacies nationwide. This card can be used for your entire family, including pets and it never expires. Discounts are available exclusively through participating pharmacies and providers. The range of the discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health

care services. Pharmacy locater and prescription drug look-up is available at <a href="https://www.yourdiscountrx.com/scrippal/">www.yourdiscountrx.com/scrippal/</a>

Outlook Vision Included in your plan is complementary access to Outlook Vision. The OUTLOOK vision care cost-containment program provides quality vision care and eyewear discounts. Outlook Vision discounts are available at participating providers. Please review your policy documents at <a href="https://www.hiiguote.com">www.hiiguote.com</a> for more information.

#### Gold Package I, II and III

[Package III: AK, HI, ND, RI, and WY]You have elected the Gold package which includes an Accidental Death and Dismemberment policy with MSGA membership as well as access to RX Advocacy and Kare 360 Patient Advocacy services

**Kare360** Included in your plan is the Kare360 Patient Advocacy program. Kare360 Advisers are available to help with members with healthcare needs; from locating physicians and scheduling appointments to negotiating medical bills, Kare360 is available to assist. Please visit <a href="https://www.hiiquote.com">www.hiiquote.com</a> to review your benefits and any limitations or exclusions of the program.

**Rx Advocacy** Included in your cost is access to the Rx Helpline Prescription Advocacy program. The Helpline is staffed by a team of advocates who specialize in finding the lowest cost alternative for prescription medications. Information about the Rx Helpline can be located at <a href="http://therxhelpline.com">http://therxhelpline.com</a>.

#### **READ FOR Freedom Spirit AD&D**

I would like to verify that you understand you are joining the Med-Sense Guaranteed Association. MSGA was formed with the purpose of educating members on health, nutrition, and fitness. They also provide membership scholarships and nursing scholarship programs. As a member of this association you are also entitled to many benefits such as Gymamerica.com, car rental discounts, vitamin discounts, identity theft services, flower discounts, car perks buying network, Sprint discounts. Also, as a MSGA member you were offered and wish to purchase Freedom Spirit Accidental Death and Dismemberment insurance, underwritten by Federal Insurance Company. Is this correct? [Wait for response]

You understand that the Accidental Death and Dismemberment Insurance benefit is a \$50,000 lump sum benefit paid in full or in part to the member, or beneficiary of the member's choice, if written proof is received that the loss occurs while the insurance is in force, the loss occurs within 365 days of the date of the accident and the cause of the loss is not excluded. Is this correct? **[Wait for response]** You do understand that benefits will not be paid for losses caused by the following:

- A. Physical or mental illness, disease, pregnancy, emotional trauma
- B. Intoxication
- C. Injury while in military service
- D. Illegal Acts
- E. Use of Narcotics
- F. Suicide or Intentional Injury
- G. War

## Is this correct? [Wait for response]

You understand that this benefit pays for covered accidents only and does not pay coverage for sickness or losses due to sickness. Is this correct? **[Wait for response]** 

Please make sure to review your Description of Coverage for complete terms and conditions or coverage. Okay? **[Wait for response]** 

You understand that the Freedom Spirit AD&D Benefits do not provide major medical or catastrophic insurance benefits. The benefits and limitations have been explained to you in detail by your agent. **Is** 

this correct?

You understand the Freedom Spirit AD&D Benefits will continue after age 70; however the benefits will decrease to 65% of the Principal Sum at age 70, 45% of the Principal Sum at age 75, 30% of the Principal Sum at age 80, and 15% of the Principal Sum at age 85. Is this correct? **[Wait for response]** 

#### [Package II: Read for AR, KS, MT, NC and SD]

You have elected the Gold package which includes access to RX Advocacy, Kare 360 Patient Advocacy services and CIGNA Dental Network Access.

**Kare360** Included in your plan is the Kare360 Patient Advocacy program. Kare360 Advisers are available to help with members with healthcare needs; from locating physicians and scheduling appointments to negotiating medical bills, Kare360 is available to assist. Please visit <a href="https://www.hiiquote.com">www.hiiquote.com</a> to review your benefits and any limitations or exclusions of the program.

**Rx Advocacy** Included in your cost is access to the Rx Helpline Prescription Advocacy program. The Helpline is staffed by a team of advocates who specialize in finding the lowest cost alternative for prescription medications. Information about the Rx Helpline can be located at <a href="http://therxhelpline.com">http://therxhelpline.com</a>.

CIGNA DENTAL NETWORK ACCESS You understand that you have also agreed to purchase the Cigna Dental Network Access plan, offered by Cigna Dental and administered by Health Insurance Innovations, for a(n) [Monthly / Semi-Annual / Annual] payment of \$\_\_\_\_\_\_. Is this correct? [Wait for response]

Mr. or Mrs. \_\_\_\_\_, you understand that Cigna Dental Network Access Plan is **not** dental insurance. It is a discount dental program that provides members access to discounted fees, pursuant to DPPO fee schedules negotiated by Cigna Dental with participating dentists. Members are responsible for paying all charges directly to participating dentists at the time services are rendered. Cigna's dental discounts average 35% nationwide when compared to average area charges. These discounts depend upon procedure codes, geographic location, and the Cigna Dental contracted rate agreed upon with the dentist or dental specialist. Is this correct? **[Wait for response]** 

You understand that you **must** visit a participating provider of Cigna Dental Network Access to receive a discounted fee. Is this correct? **[Wait for response]** 

You must present your Cigna Dental ID card when visiting your Cigna Participating Provider. If not, the discounted rate will not apply and you may be charged his usual and customary fee.

You understand that your next [Monthly / Semi-Annual / Annual] payment will be processed from your account at the end of your [Monthly / Semi-Annual / Annual] term, for the next [Month / Six months / 12 months] of your plan. Is this correct? [Wait for response]

Please note there is a 30-day review period for this dental program.

#### [Package I: All Other States]

You have elected the Gold package which includes an Accidental Death and Dismemberment policy with MSGA membership as well as access to Kare 360 Patient Advocacy services and CIGNA Dental Network Access.

**Kare360** Included in your plan is the Kare360 Patient Advocacy program. Kare360 Advisers are available to help with members with healthcare needs; from locating physicians and scheduling

appointments to negotiating medical bills, Kare 360 is available to assist. Please visit <a href="www.hiiquote.com">www.hiiquote.com</a> to review your benefits and any limitations or exclusions of the program.

<b>CIGNA DENTAL NETWORK ACCESS</b> You understand that you have also agreed to p	purchase the Cigna
Dental Network Access plan, offered by Cigna Dental and administered by Health	ı Insurance
Innovations, for a(n) [Monthly / Semi-Annual / Annual] payment of \$	Is this correct?
[Wait for response]	

Mr. or Mrs. \_\_\_\_\_, you understand that Cigna Dental Network Access Plan is **not** dental insurance. It is a discount dental program that provides members access to discounted fees, pursuant to DPPO fee schedules negotiated by Cigna Dental with participating dentists. Members are responsible for paying all charges directly to participating dentists at the time services are rendered. Cigna's dental discounts average 35% nationwide when compared to average area charges. These discounts depend upon procedure codes, geographic location, and the Cigna Dental contracted rate agreed upon with the dentist or dental specialist. Is this correct? **[Wait for response]** 

You understand that you **must** visit a participating provider of Cigna Dental Network Access to receive a discounted fee. Is this correct? **[Wait for response]** 

You must present your Cigna Dental ID card when visiting your Cigna Participating Provider. If not, the discounted rate will not apply and you may be charged his usual and customary fee.

You understand that your next **[Monthly / Semi-Annual / Annual]** payment will be processed from your account at the end of your **[Monthly / Semi-Annual / Annual]** term, for the next **[Month / Six months / 12 months]** of your plan. Is this correct? **[Wait for response]** 

Please note there is a 30-day review period for this dental program.

#### **READ FOR Freedom Spirit AD&D**

#### Not Available in AR, KS, MD, ME, MO, NC, MT, SD

I would like to verify that you understand you are joining the Med-Sense Guaranteed Association. MSGA was formed with the purpose of educating members on health, nutrition, and fitness. They also provide membership scholarships and nursing scholarship programs. As a member of this association you are also entitled to many benefits such as Gymamerica.com, car rental discounts, vitamin discounts, identity theft services, flower discounts, car perks buying network, Sprint discounts. Also, as a MSGA member you were offered and wish to purchase Freedom Spirit Accidental Death and Dismemberment insurance, underwritten by Federal Insurance Company. Is this correct? [Wait for response]

You understand that the Accidental Death and Dismemberment Insurance benefit is a \$50,000 lump sum benefit paid in full or in part to the member, or beneficiary of the member's choice, if written proof is received that the loss occurs while the insurance is in force, the loss occurs within 365 days of the date of the accident and the cause of the loss is not excluded. Is this correct? **[Wait for response]** You do understand that benefits will not be paid for losses caused by the following:

- A. Physical or mental illness, disease, pregnancy, emotional trauma
- B. Intoxication
- C. Injury while in military service
- D. Illegal Acts
- E. Use of Narcotics
- F. Suicide or Intentional Injury

G. War

# Is this correct? [Wait for response]

You understand that this benefit pays for covered accidents only and does not pay coverage for sickness or losses due to sickness. Is this correct? **[Wait for response]** 

Please make sure to review your Description of Coverage for complete terms and conditions or coverage. Okay? **[Wait for response]** 

You understand that the Freedom Spirit AD&D Benefits do not provide major medical or catastrophic insurance benefits. The benefits and limitations have been explained to you in detail by your agent.  ${\bf Is}$ 

#### this correct?

You understand the Freedom Spirit AD&D Benefits will continue after age 70; however the benefits will decrease to 65% of the Principal Sum at age 70, 45% of the Principal Sum at age 75, 30% of the Principal Sum at age 80, and 15% of the Principal Sum at age 85. Is this correct? **[Wait for response]** 

**This also includes a benefit for PEP.** PEP is an online personal health and wellness program designed to help members achieve goals regardless of age, gender or level of fitness. PEP offers members access to health calculators for easy tracking and self-assessments; health information from a professional staff; daily health tips on nutrition, weight loss, and exercise and disease prevention; as well as the ability to obtain the same core workouts used by many professional athletes. *Is this correct?* [Wait for response]

You understand there is a \$\_\_\_\_\_ onetime cost for PEP services. *Is this correct?* [Wait for response]

<u>[IF ANY ANCILLARY PRODUCTS HAVE BEEN SOLD, PLEASE USE ANCILLARY SCRIPT TO PROVIDE REQUIRED CARRIER SCRIPT BEFORE PROCEEDING TO PAYMENT INFO.]</u>

# **VERIFY PERSONAL INFORMATION AS ENTERED ON APPLICATION**

That brings your first month's total to \$\_\_ and only \$\_\_ for each month after that. This will be billed today to your (Visa, MasterCard, or ACH), correct? **[Wait for response.]** 

#### **Verify Billing Information**

You understand that your first payment will be processed today, you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on <a href="mailto:dd/mm/yyyy">dd/mm/yyyy</a>, correct? (For a post-dated application use the correct post-dated date) [Wait for response.]

You understand that your next month's payment and re-occurring monthly payment thereafter will be automatically processed from your account on the (effective date) of each month thereafter fort the term of the coverage. You do understand this correct? [Wait for response.]

You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or HCC Life Insurance Company, you do understand this, correct? [Wait for response.]

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. You will also receive within 7 to 10 business day a copy of the welcome letter and ID cards in the mail.

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[Indiana members] Please make sure to read your policy benefits and Limitation and Exclusions within your 30 day free look period. You can access your policy on line at <a href="https://www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer. If you have any questions at any time, please call HII Member Services at 877-376-5831.

[All other states] Please make sure to read your policy benefits and Limitation and Exclusions within your 10 day free look period. You can access your policy on line at <a href="https://www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer. If you have any questions at any time, please call HII Member Services at 877-376-5831.

You do understand this, correct? [Wait for response.]

NOTICE OF VOICE CONSENT TO ELECTRONIC TRANSACTIONS, SIGNATURES AND DOCUMENTS I consent to use of electronic signatures of documents which would otherwise only be valid if they were in writing. (Is this correct?)

We want to confirm that you agreed to the completion of your application for the Insurance Plan and any applicable benefit programs over the telephone, and that the plan benefits, legal notices and cost of the insurance were reviewed with you. You agree that your voice consent will serve as your signature. Is this correct? [Wait for response]

I understand that Health Insurance Innovations, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by calling HII at 877-376-5831 or emailing <a href="mailto:support@hiiquote.com">support@hiiquote.com</a>. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions and signatures used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice signature carefully to ensure my understanding of all provisions of the coverage.

## If you are in agreement with this consent, please say yes.

GREAT! For your protection Mr. /Mrs, just so I can confirm your understanding and
agreement to the terms and conditions of the medical insurance plan, please verify by saying YES
[Wait for response.]

Thank you! That completes your verification! **(STOP RECORDING)** 

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# **HCC LIFE/HEALTHEMED STM VERIFICATION**

Hi, my name is I am your representative in the verification department and this verification number is HCC-STMV-010116. Today's date is This call is being recorded for quality assurance.
[Read the following in CO, CT, IA, RI and NH] This call will confirm that you do understand that you are purchasing a short-term medical plan offered through Consumer Benefits of America (CBA), underwritten by HCC Life Insurance Company, and administered by Health Insurance Innovations, which will provide a (6 or 11) month term of major medical insurance and that your agent of record is at(Company Name)_Ok? [Wait for response.]
[Read the following in ALL OTHER STATES]  This call will confirm that you do understand that you are purchasing a short-term medical plan underwritten by HCC Life Insurance Company, administered by Health Insurance Innovations, which will provide a (6 or 11) month term of major medical insurance and that your agent of record is at(Company Name). Ok? [Wait for response.]
You understand that Short-Term Medical insurance is not considered "minimum essential coverage" under the Affordable Care Act, also known as "Obamacare," and that you may be subject to a tax penalty. [Wait for response.]
You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical advice, care, diagnosis, treatment, consultation, or medication was recommended by or received from a Doctor within the 60 months immediately preceding the coverage effective date. If you have a condition that has manifested itself or shows signs or symptoms where a reasonably prudent person would seek medical attention, it will be considered pre-existing regardless of whether you have been diagnosed or treated for the condition previously. This limitation may vary by state, and does not apply to the prescription discount benefit. <b>Is this correct?</b> [Wait for response.]
Please state your full name, address and email for the recording. [Wait for response.]
Please verify the name and date of birth of all persons listed on the policy. [Wait for response.]
Now (Mr. /Ms.), these questions are for all proposed insured. Please respond to each question. I would like to verify your understanding of your insurance purchase.
You understand that the Insurance program is a Short Term Medical insurance plan. The coverage is non-renewable and will terminate at the end of the coverage period. <b>Yes / No</b> [Wait for response.]
Do you understand that if you had a prior short-term medical plan <b>with HCC Life Insurance Company</b> , you must qualify under a new application for insurance to be eligible for a new short-term medical plan? <b>You do understand this, correct?</b> [Wait for response.]
Do you understand that if you are deemed eligible, your new short-term medical plan will have a

limits? Is this correct? [Wait for a response.]

new effective date, new preexisting conditions limitation, new deductibles, and new coinsurance

[State-specific prior coverage questions.]

**READ ONLY FOR IDAHO:** Do you understand that if you had a prior short-term medical plan with HCC Life Insurance Company, you must wait 75 days from the termination date of that policy before you may re-apply for another HCC Life short-term medical plan? [Wait for response.]

**COLORADO ONLY:** Has any person proposed for coverage been covered under two or more nonrenewable short-term polices during the past 12 months? If "yes" then this coverage cannot be issued. You must wait 6 months from the date of your last such policy to apply for a short-term policy. **Yes / No [Wait for response]** 

**NORTH CAROLINA ONLY:** Has any applicant been covered by a short term medical insurance policy, issued by any insurance company, within six months of the Requested Effective Date? *If* "yes" then this coverage cannot be issued. **Yes / No [Wait for response]** 

**NEW HAMPSHIRE ONLY:** Have you or any other person to be insured been covered under two or more nonrenewable short-term policies during the past twelve months? *If "yes" then this coverage cannot be issued.* **Yes / No [Wait for response]** 

MAINE ONLY:	Have you or any other person to be insured been covered under a nonrenewable
short-term po	licy during the past 12 months? Yes / No [Wait for response] If ""Yes" for how
long?	This new coverage combined with any prior successive short term coverage
cannot exceed	11 months.

CONNECTICUT and	<b>WISCONSIN RESIDENTS ONLY:</b> Have you had prior coverage with a HCC Life
Short Term Medical	policy in the last twelve months? Yes / No [Wait for response] If ""Yes" how
many?	If member has had two HCC Short Term policies in a rolling twelve month
period, this coverage	cannot be issued.

I do have some medical questions to go over. These medical questions apply to all family members applying for coverage. You do understand if you falsify or neglect to answer any question accurately, this will nullify the application and void all benefits of the policy. You do understand this, correct? [Wait for response]

(NOTE-THE FOLLOWING QUESTIONS ARE FROM THE GENERIC STATES APPLICATION. Alaska, Georgia, Indiana, Nebraska, North Dakota, Connecticut, Kentucky, Colorado, Maryland, and New Mexico have state specific questions. Please verify the applicant's state of residence and verify correct questions.)

# IF ARIZONA, HAWAII, KANSAS or VIRGINIA READ: {"Yes" response will disqualify applicant}

 Will any applicant have other health insurance in force on the policy effective date? Yes / No [Wait for response.]

# Other States: {"Yes" responses on Q.1-4 and "No" response on Q. 5 will disqualify applicant}

- Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? (Texas Residents are not required to answer this question.) Yes / No [Wait for response.]
  - a. IF OKLAHOMA, VIRGINIA or WEST VIRGINIA ALSO READ: If so, do you intend to replace your current accident and sickness insurance with this policy (contract) Yes / No [Wait for response.]
- **2.** Are you or any applicant:

- **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
- **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for or experienced signs or symptoms of any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No [Wait for response**]
  - **b.** COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge **Yes/No** [Wait for response]
  - **c.** Rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No** [Wait for response]
  - **d.** Alcohol abuse, chemical dependency or any neurological disorder? **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? Residents of WI do not need to disclose HIV test results. **Yes / No [Wait for response.]**
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.**]

# ALASKA, GEORGIA, INDIANA, NEBRASKA or NORTH DAKOTA READ: {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No** [**Wait for response.**]
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [Wait for response]
  - **b.** COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge **Yes/No** [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - **d.** alcohol abuse, chemical dependency, or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? **Yes / No [Wait for response.]**
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.]**

# **CONNECTICUT READ:** {Yes responses on Q.1-5 and No response on Q. 6 will disqualify applicant}

- **1.** Will you have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No [Wait for response.]**
- **2.** Have you:

- **a.** Been denied insurance due to any health reasons for a condition that is still present? **Yes / No [Wait for response.]**
- **b.** Now pregnant, in process of adoption or undergoing infertility treatment? **Yes / No** [Wait for response.]
- **c.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years have you been diagnosed, treated, or taken medication or experienced signs or symptoms for any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [Wait for response]
  - **b.** COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge **Yes/No** [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - **d.** alcohol abuse, chemical dependency, mental/nervous disorders or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant ever had, been told they had or has any applicant ever been treated for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or AIDS related conditions? **Yes / No [Wait for response.]**
- **5.** Are you a sole proprietor or a self-employed individual that: (1) is actively at work for a minimum of (30) thirty hours per week; and (2) has been in business for (3) three consecutive months? *By stating "No" you certify to HCC Life that you are not a sole proprietor or self-employed as stated.* Yes / No [Wait for response.]
- **6.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.]**

#### **KENTUCKY READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date? **Yes / No [Wait for response.]** 
  - **a.** List any health insurance policies you currently have in force by name of insurer and amount of insurance:
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No [Wait for response.]**
- **3.** Within the last 5 years has any applicant been diagnosed or treated for any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [**Wait for response**]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - d. alcohol abuse, chemical dependency, or any neurological disorder Yes/No [Wait for response]
- **4.** Within the last 5 years has any applicant tested positive for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? **Yes / No** [**Wait for response.**]
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No** [Wait for response.]

# **COLORADO READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No [Wait for response.]**
- **2.** Have/Are you, or any applicant:
  - **a.** Been denied insurance due to any health reasons for a condition that is still present (Does not apply to residents of MO)? **Yes / No** [**Wait for response.**]
  - **b.** Now pregnant, in process of adoption or undergoing infertility treatment? **Yes / No** [Wait for response.]
  - c. Over 300 pounds if male or over 250 pounds if female? Yes / No [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for or experienced signs or symptoms of any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No [Wait for response]**
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response**]
  - **d.** alcohol abuse, chemical dependency, or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? Residents of WI do not need to disclose HIV test results. **Yes / No [Wait for response.**]
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **Yes / No** [**Wait for response.**]

# **NEW MEXICO READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- 1. Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? Yes / No [Wait for response.]
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.]**
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed by a physician, treated, or taken medication for any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [Wait for response]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - **d.** alcohol abuse, chemical dependency, or any neurological disorder **Yes/No** [Wait for response]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS) or tested positive for Human Immunodeficiency Virus (HIV)? **Yes / No [Wait for response.]**
- 5. If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.**]

## **MAINE READ:** {Yes responses on Q.1-4 and No response on Q. 5 will disqualify applicant}

- **1.** Will any applicant have other health insurance in force on the policy effective date or be eligible for Medicaid? **Yes / No [Wait for response.]**
- **2.** Are you or any applicant:
  - **a.** Now pregnant, an expectant father, in process of adoption, or undergoing infertility treatment? **Yes / No [Wait for response.**]
  - **b.** Over 300 pounds if male or over 250 pounds if female? **Yes / No** [Wait for response.]
- **3.** Within the last 5 years has any applicant been diagnosed, treated, or taken medication for or experienced signs or symptoms of any of the following:
  - **a.** Cancer or tumor, stroke, heart disease including heart attack, chest pain or had heart surgery **Yes/No** [Wait for response]
  - b. COPD (chronic obstructive pulmonary disease) or emphysema, Crohn's disease, liver disorder, degenerative disc disease or herniation/bulge Yes/No [Wait for response]
  - **c.** Rheumatoid arthritis, kidney disorder, diabetes, degenerative joint disease of the knee **Yes/No [Wait for response]**
  - **d.** Alcohol abuse, chemical dependency or any neurological disorder? **Yes/No** [**Wait for response**]
- **4.** Within the last 5 years has any applicant been diagnosed or treated by a physician or medical practitioner for Acquired Immune Deficiency Syndrome (AIDS)? Answer "NO" if you have tested positive for HIV but have not developed symptoms of the disease AIDS or ARC. **Yes / No [Wait for response.]**
- **5.** If you are not a US Citizen, do you expect to legally reside in the US for the duration of the policy? **US citizen / Yes / No [Wait for response.**]

# [Read the following in CT]

Dr. Office and urgent care visits are subject to the deductible and coinsurance.

#### [Read the following in ALL OTHER STATES]

Your policy includes \$50 Co-pays for Urgent Care Center visits for illness or injury per person. After a \$50 co-payment the coinsurance will apply. This benefit is not subject to the deductible. Dr. Office visits for sickness or injury are subject to the deductible and coinsurance.

Your plan also includes a deductible of (500/1000/2500/5000/7500). Your co-insurance will be (80/20 or 50/50 of \$5000). Then the insurance company pays 100% up to \$2,000,000. You do understand this, correct? [Wait for response.]

You have requested that your insurance become effective on:	Is this correct? [Wait for
response.	

You understand that accidental injuries that occur on or after your effective date are covered on the effective date of your insurance coverage. Injuries that occur prior to your effective date are excluded. You understand that treatments for sickness are not covered until at least 72 hours after the effective date. The waiting period for sickness may not apply in your state. Is this correct? [Wait for response.]

You understand this policy doesn't pay for benefits for expenses resulting from any of the following: **Routine medical examinations such as Physicals or Immunizations, Prescription** 

drugs, Obesity, Maternity or well-baby care, Non Medically necessary care, Expenses that are not Usual and Customary. Please refer to your policy for a complete listing of limitations and exclusions and Security and Privacy disclaimers which can be found by logging into your account at <a href="https://www.hiiguote.com">www.hiiguote.com</a>.

[Read the following in CO, CT, IA, RI and NH] As part of your membership in the Consumer Benefits of America association, you will also receive a discount pharmacy and medical savings card offered by Vantage America Solutions. This card offers you average prescription discount savings of 5-15% off the cash price of brand name drugs, and average 15-40% off the price of generic drugs. You will also realize immediate savings of 15%-70% on Lab Testing,\* 25%-80% on MRI and CT scans and 5%-30% on Diabetic Supplies. Additionally, you can save 10%-35% on Dental Care, 10%-30% on Vision Care and 15% on Hearing Equipment. These benefits are provided by Vantage America Solutions and are not affiliated with HCC Life Insurance Company. You understand this, correct? [Wait for response.]

[Read the following in ALL STATES] As part of your membership you will also receive prescription discount benefits. ScripPal will allow you to save an average of 46%, with potential savings of up to 75% at more than 60,000 pharmacies nationwide. This card can be used for your entire family, including pets and it never expires. Discounts are available exclusively through participating pharmacies and providers. The range of the discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. Pharmacy locater and prescription drug look-up is available at <a href="https://www.yourdiscountrx.com/scrippal/">www.yourdiscountrx.com/scrippal/</a>

Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state. Ok? [Wait for response.]

**Included in the monthly plan cost is the TelaDoc benefit.** Not available in AR. With Teladoc, you have access to a National Network of Board Certified Physicians who provide diagnostic consultations via telephone 24 hours a day, 365 days a year. There is a one-time registration cost of \$10 required before the first consultation. All future calls are guaranteed within one hour, and the consultation is at no cost to you. Every participant is given a user name and access to their Teladoc fulfillment document online.

*Prescriptions by phone consult are not available in Idaho*. Teladoc is not a part of the insurance plan nor is it affiliated with the insurance company.

**Included in the plan cost is the Value Benefits Package (VBP)**. As a part of VBP you recieve many benefits such as the Kare360 Patient Advocacy Program, 24/7 Nurseline, roadside assistance, Lenscrafters vision club, Office Depot discounts, UPS discounts, and car rentals discounts. *Is this correct?* **[Wait for response]** 

**Included in the plan cost is the Chiro and Podiatry Care Plus.** The Chiro and Podiatry Care Plus package is a discount medical plan that allows you access to the ChooseHealthy program which utilizes a network of more than 28,000 credentialed, complementary health care providers including 20,000 chiropractors. Members receive 25% off normal fees for services. The plan also provides you access to Healthcare Networks of America podiatry services. Members receive savings of 20-50% on the provider's normal fees. Additionally, you will receive discounts on lab tests, diagnostic imaging, vitamins and supplements, and popular brand name pet meds. *Is this correct?* **[Wait for response]** 

**This also includes a benefit for PEP**. PEP is an online personal health and wellness program designed to help members achieve goals regardless of age, gender or level of fitness. PEP offers members access to health calculators for easy tracking and self-assessments; health information from a professional staff; daily health tips on nutrition, weight loss, and exercise and disease prevention; as well as the ability to obtain the same core workouts used by many professional athletes. *Is this correct?* [Wait for response]

You understand there is a \$\_\_\_\_\_ onetime cost for PEP services. Is this correct? [Wait for response]

<u>[IF ANY ANCILLARY PRODUCTS HAVE BEEN SOLD, PLEASE USE ANCILLARY SCRIPT TO PROVIDE REQUIRED CARRIER SCRIPT BEFORE PROCEEDING TO PAYMENT INFO.]</u>

#### VERIFY PERSONAL INFORMATION AS ENTERED ON APPLICATION

That brings your first month's total to \$\_\_ and only \$\_\_ for each month after that. This will be billed today to your (Visa, MasterCard, or ACH), correct? **[Wait for response.]** 

#### **Verify Billing Information**

You understand that your first payment will be processed today, you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on <a href="mailto:dd/mm/yyyy">dd/mm/yyyy</a>, correct? (For a post-dated application use the correct post-dated date) [Wait for response.]

You understand that your next month's payment and re-occurring monthly payment thereafter will be automatically processed from your account on the (effective date) of each month thereafter fort the term of the coverage. You do understand this correct? [Wait for response.]

You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or HCC Life Insurance Company, you do understand this, correct? [Wait for response.]

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. You will also receive within 7 to 10 business day a copy of the welcome letter and ID cards in the mail.

[Indiana members] Please make sure to read your policy benefits and Limitation and Exclusions within your 30 day free look period. You can access your policy on line at <a href="https://www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer. If you have any questions at any time, please call HII Member Services at 877-376-5831.

[All other states] Please make sure to read your policy benefits and Limitation and Exclusions within your 10 day free look period. You can access your policy on line at <a href="https://www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer. If you have any questions at any time, please call HII Member Services at 877-376-5831.

You do understand this, correct? [Wait for response.]

NOTICE OF VOICE CONSENT TO ELECTRONIC TRANSACTIONS, SIGNATURES AND DOCUMENTS I consent to use of electronic signatures of documents which would otherwise only be valid if they were in writing. (Is this correct?)

We want to confirm that you agreed to the completion of your application for the Insurance Plan and any applicable benefit programs over the telephone, and that the plan benefits, legal notices and cost of the insurance were reviewed with you. You agree that your voice consent will serve as your signature. Is this correct? [Wait for response]

I understand that Health Insurance Innovations, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by calling HII at 877-376-5831 or emailing <a href="mailto:support@hiiquote.com">support@hiiquote.com</a>. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions and signatures used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice signature carefully to ensure my understanding of all provisions of the coverage.

#### If you are in agreement with this consent, please say yes.

GREAT! For your protection Mr. /Mrs. \_\_\_\_\_, just so I can confirm your understanding and agreement to the terms and conditions of the medical insurance plan, please verify by saying YES. [Wait for response.]

Thank you! That completes your verification! (STOP RECORDING)

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Vital Protection Verification Script

<b>~</b> .		_				
Sta	rt	K€	ЭС	OI	rd	ing

for a major medical plan.

Hi, my name is	Today is	(date), the time is	AM/PM. This call is
being recorded for Complia	ance purposes, ok? <i>[Wait for resp</i>	<b>ponse]</b> Your verification nu	
identification is, corre		, , com posses	,
insurance coverage, often	ent and Sickness Hospital Indemn referred to as "major medical cov age" under the Affordable Care A Wait for response.1	erage" and does not satisf	y your obligation to secure
Do you acknowledge that y you can enroll into a qualif of open enrollment? <b>[Wait</b>	rour agent has advised you that the ied Obamacare Plan and there are for response.] For information relates and life qualifying events ou	e also special life events que garding Open Enrollment	ualifying you to enroll OUTSIDE dates and life qualifying events
a Pre-existing Condition? - before the Insured Person   Person, or was recommend Pre-Existing Condition afte	The term "Pre-existing Condition" becomes insured under the policy ded by, prescribed by or received or the date a person has been cotent effective date of insurance.	means an Accident or a S , medical advice, treatmer from a Physician. A condit vered under the Policy fo	medical condition or illness due to lickness for which, in the 3 months at or care was sought by an Insured ion shall no longer be considered at 12 consecutive months after the apply to congenital anomalies of
coverage based on your h	ven though this health plan is gue alth status, your application me eiving any benefits under the pla	ust first be processed, and	
			d confirm correction is accurate, correct? Your e-mail address is
	ed. Ask the following question for an required and confirm correctio		. A yes response is required for
•	of each of your dependents is	_	all correct? [Wait for response]
application for insurance co concerning any material fa imprisonment and/or fines	ontaining any false information, o ct thereto, commits a fraudulent	r conceals for the purpose insurance act, which is a co r insurance benefits if false	_
	e health policy is an Accident and d benefits? It is not a major medic		

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#### **Limitations & Exclusions**

We will not pay benefits for any loss:

- (1)Caused by suicide or intentionally self-inflicted injuries while sane; or
- (2) Caused by or resulting from war or any act of war, declared or undeclared; or
- (3)That occurs while in the armed forces of any country (any premium paid to Us for any period or which coverage is not provided while the Insured Person is in such service will be returned on a pro-rata basis); or
- (4)Due to active participation in a riot or insurrection; or
- (5) Sustained or incurred during the Insured Person's commission or attempted commission of a felony or engaging in an illegal occupation; or
- (6)Caused while riding in or on, entering into or alighting from, or being struck by a motor vehicle not designed primarily for use on public streets and highways; or
- Caused by or resulting from, directly or indirectly, any occurrence while the Insured Person is incarcerated; or (7)
- (8)That is the result of cosmetic surgery or care or treatment solely for cosmetic purposes or complications therefrom. This exclusion does not apply to cosmetic surgery resulting from an Accident if initial treatment of the Insured Person is begun within 12 months of the date of the Accident or to treat congenital defects in covered newborns.

Do you understand that this is not a full list of exclusions and you must review your insurance documents for additional exclusions and limitations? [Wait for response.]

You understand that Accident and Sickness Hospital Indemnity Insurance Vital Protection Plan pays a fixed dollar amount for specified named medical expenses and will not cover all your medical expenses. [Wait for response] The plan shall pay the benefit amounts listed in the schedule of benefits that will be included in the membership materials sent to You upon enrollment. You understand that most of the covered benefits are subject to a maximum amount payable in each policy year, and/or a lifetime maximum amount payable. You understand that You will be responsible for any charges that exceed the benefit as defined in this plan.

The fixed benefits will pay according to the following schedule: [Please read the benefits for the plan elected by the member]

Benefit Description	Plan 1	Plan 2	Plan 3
Daily Hospital Confinement Indemnity Benefit	\$500	\$1,000	\$5,000
Maximum Number of Days Per Period of Confinement	31	31	31
Daily Intensive Care Unit Confinement Benefit	2x Hospital Benefit	2x Hospital Benefit	2x Hospital Benefit
Maximum Number of Days Per Period of Confinement	31	31	31
Physician's Office Visit Benefit	\$75	\$75	\$75
Maximum Number of Days	2	2	2
X-Ray and Laboratory Benefit	\$100	\$200	\$200
Maximum Number of Days	2	2	2
Maximum Policy Year Benefit	\$50,000	\$100,000	\$100,000

#### **MultiPlan PPO Network Information:**

Persons insured under this plan may choose to be treated within, or out of, the MultiPlan PPO Network. MultiPlan
consists of hospitals, physicians, and other health care providers who have contracted to provide specific medical care at
negotiated prices. Do you understand? [Wait for response] For more information please visit www.multiplan.com

PEP: This also includes a benefit for PEP. PEP is an online personal health and wellness program designed to help members achieve goals regardless of age, gender or level of fitness. PEP offers members access to health calculators for easy tracking and self-assessments; health information from a professional staff; daily health tips on nutrition, weight loss, and exercise and disease prevention; as well as the ability to obtain the same core workouts used by many professional athletes. You understand there is a \$ onetime cost for PEP services. Is this correct? [Wait for response] This benefit is not affiliated with You understand this, correct? [Wait for response.]
Teladoc:
Included in the monthly cost is the Teladoc benefit. With Teladoc, you have access to a National Network of Board Certified Physicians who provide diagnostic consultations for routine illnesses via phone or video 24 hours a day, 365 days a year. There is a one-time registration cost of \$10 required before the first consultation. All future calls are guaranteed within one hour, and the consultation is at no cost to you. Every participant is given a user name and access to their Teladoc fulfillment document online.  Teladoc is not part of the insurance plan nor is it affiliated with [Carrier]. You understand this, correct? [Wait for response.]
ScripPal: As part of your membership, you will also receive a discount pharmacy and medical savings card. ScripPal Rx will allow you to save an average of 46%, with potential savings of up to 75%, at more than 60,000 pharmacies nationwide. This card can be used for your entire family, including pets and it never expires. Discounts are available exclusively through participating pharmacies and providers. The range of discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. Pharmacy locator and prescription drug look-up is available at www.yourdiscountrx.com/scrippal/. This benefit is not affiliated with You understand this, correct? [Wait for response.
<b>Rx Helpline:</b> Included in the monthly cost is the RX Helpline Prescription Advocacy program. The RX Helpline is a prescription savings program that helps you save money on your prescription medications. Rx Helpline is not part of the insurance plan nor is it affiliated with You understand this, correct? [Wait for response]
You understand that you purchased an Accident and Sickness Hospital Indemnity Insurance (NAME THE Specific POLICY

or Policies). You understand that you also purchased a separate policy (NAME THE Specific POLICY or Policies). (NAME THE Specific POLICY or Policies) has a separate cost and has benefits separate from the Accident and Sickness Hospital Indemnity Insurance Plan. You are not required to purchase (NAME THE Specific POLICY or Policies) to purchase your Accident and Sickness Hospital Indemnity Insurance Plan. You understand that (NAME THE Specific POLICY or Policies) is a separate policy and NOT a part of a bundled package with your Accident and Sickness Hospital Indemnity Insurance Plan. (NAME THE Specific POLICY or Policies) is a separate policy, if you contact the administrator to cancel your Accident and Sickness Hospital Indemnity Insurance Plan, it is important that you explicitly ask to cancel (NAME THE Specific POLICY or Policies), or the policy will stay in force and the administrator will continue to bill you.

Also, a one-time registration charge for PEP will be applied to your 1st month's plan cost of \$\_\_\_\_\_. Do you understand? [Wait for response]

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Your Vital Protection membership will be effective on Do you understand? [Wait for response]
Your first month's plan cost and monthly membership dues will be \$ Do you understand? [Wait for response]
All subsequent monthly plan cost and membership dues will be \$ Do you understand? [Wait for response]
Your total plan cost and membership dues will be applied to the [bank or credit card] account you provided your agent. Do you understand? [Wait for response]
Your first monthly cost and membership dues will be applied to your account on Do you understand? [Wait for response]
Your monthly recurring billing date will be theof every month. Do you understand? [Wait for response] You understand that if you cancel your membership or if we are unable to collect your payment on your bill date your membership and benefits will be cancelled. Do you understand? [Wait for response]
You understand you are signing up for an automatic payment plan. Do you agree that Health Insurance Innovations ("HII") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify HII or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by HII or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that HII or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that HII or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

#### **30-DAY Free Look PERIOD**

Now after you're enrolled, you will have 30-days from the date you receive your fulfillment material to cancel. You will also receive an email from Support@hiiquote.com allowing you to login, using your email address, to review your membership benefits including your Accident and Sickness Hospital Indemnity Insurance Plan Limitations and Exclusions – please make sure you do this. To request a copy of your policy benefits and limitations be mailed to you at no additional cost, call HII Customer Support at 1-877-376-5831 (California: HII Insurance Solutions 855-221-5852). If you decide to cancel within the 30-day Free Look Period, you will receive a refund of your 1st month's membership only. The \$xx one-time enrollment fee will not be refunded. If you submit a claim for insurance your membership will be deemed accepted and you will not be eligible for any refund.

Please review the schedule of benefits in your fulfillment materials once you receive them and if you have any

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questions or are confused about any benefits, please contact Health Insurance Innovations at 877-376-5831 (California: HII Insurance Solutions 855-221-5852)

I consent to use of electronic signatures of documents which would otherwise only be valid if they were in writing. We want to confirm that you agreed to the completion of your application for the Insurance Plan and any applicable benefit programs over the telephone, and that the plan benefits, legal notices and cost of the insurance were reviewed with you. You agree that your voice consent will serve as your signature. I understand that Health Insurance Innovations, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by calling HII at 877-376-5831 or emailing support@hiiquote.com. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions and signatures used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice

## If you are in agreement with this consent, please say yes.

signature carefully to ensure my understanding of all provisions of the coverage.

Your verification is now complete. I'm going to provide you our customer service phone number; do you have a pen and paper? [Wait for response]

Our customer service number is 877-376-5831. You can call 877-376-5831 to discuss any billing, member benefits, customer service or cancellations. Thank you.

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# **NCE Premier Short Term Medical Verification Script**

-	Verification Department and I'll be doing a brief recor ification is being recorded for compliance purposes and IV-031716.	
Today isand the licensed ag	gent that you spoke with today is with [Comp	any Name]. Is that correct? [Wait for
Response] Please confirm your	name, address, date of birth and social security numb	er. [Wait for Response]
Is your email address?	[Wait for Response] Is your phone number	
Do you understand that you [sta Congress of Employers (NCE) as	ate all applicable names, birth dates and Social Securitessociation? [Wait for Response.]	ty numbers] are joining into The National
Do you understand that your mo	onthly association fee will be \$	[Wait for
Do you understand that there is [Wait for Response]	a one time, nonrefundable, enrollment fee of \$	and the total billed today will be \$
	re selected a membership package that includes a shoed Life Insurance Company, which will provide a (]	
Now (Mr. /Ms.), these of understanding of your insurance	questions are for all proposed insured(s). Please resp e purchase.	ond to each question to verify your
	osure at this time] e of plan is NOT considered "minimum essential co subject to a tax penalty. [ <u>Wait for response.]</u>	overage" under the Affordable Care
(define co-pay that matches plate routinely conducted in the office,	(define co-pay that matches plan) copay for Gener n) copay for a Specialist Doctor's office visit for illnes , analyzed and discussed during the same visit. The cop ible and Coinsurance and is not subject to the deduct	s or injury and for diagnostic tests that are oay is per person per visit. Your co-
be 80% paid by insured and 2	so includes a deductible of(state deductible tha 20% paid by you up to(state annual maxim enefit level you purchased. [Is this correct?]	
materials sent to you upon en for any charges above those li	s amount listed in the schedule of benefits that wi irollment. If your medical costs exceed the benefit imits as defined in this plan. To minimize your sha g provider in your area. If you understand what I l se].	t limits then you will be responsible are of the costs we will guide you to the
You have requested that your in	nsurance become effective on:is this correct? [	Wait for response.]
You understand this policy does	sn't pay for benefits for expenses resulting from any o	f the following:
A. Obesity B. Physicals C. Maternity or well- baby care D. Non Medically necessary care		
NCESTMV 031716	Page <b>1</b> of <b>5</b>	

### **NCE Premier Short Term Medical Verification Script**

- E. Expenses that are not Usual and Customary
- F. Please refer to your policy for a complete listing of limitations and exclusions [Do you understand?]

You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical advice, care, diagnosis, treatment, consultation, or medication was recommended by or received from a Doctor within the 5 years immediately preceding the coverage effective date. This limitation may vary by state, and does not apply to the prescription discount benefit. Do you understand? [Wait for response.]

# Please answer the following questions completely and accurately [Instruction to Verifier: If a YES answer is provided please explain that the coverage is not available to the applicant at that time.]

- A. Are you or any Dependent to be insured, currently pregnant or receiving infertility treatments, or are you an expectant father or in the process of adoption or in the process of surrogate pregnancy? [Wait for response]
- B. Within the last five (5) years, have you or any Dependent to be insured been hospital confined for any reason (other than bodily injury) for four (4) consecutive days or longer? [Wait for response]
- C. Are you or any Dependent to be insured overweight and been diagnosed with high blood pressure (whether or not treated or controlled)? Over weight is any male over 300 pounds or female over 250 pounds. [Wait for response]
- D. Are you or any Dependent to be insured overweight and been diagnosed with elevated cholesterol (whether or not treated or controlled)? Overweight is any male over 300 pounds or female over 250 pounds. [Wait for response]
- E. Within the last five(5)years, have you or any Dependent to be insured, seen or been treated by any medical professional, or been recommended to see a medical professional, or received diagnostic testing, or received medication, or received abnormal test results for, or been diagnosed with, any of the following conditions?
  - Alcohol Abuse, Alcoholism, Chemical Dependency or Substance Abuse; [Wait for Response]
  - Cancer or Tumor (excluding basal cell); [Wait for Response]
  - Chronic Obstructive Pulmonary Disease, Cystic Fibrosis, Emphysema, Pulmonary Embolism or Tuberculosis; [Wait for Response]
  - Diabetes; [Wait for Response]
  - Organ or Tissue Transplant; [Wait for Response]
  - Blood disorder- including but not limited to hemophilia or leukemia; [Wait for Response]
  - Heart disorder –including but not limited to chest pain, heart failure, rhythm disturbances or heart attack; [Wait for Response]
  - Circulatory system disorder– including but not limited to stroke or deep vein thrombosis/phlebitis (does not include high blood pressure); [Wait for Response]
  - Immune disorders –including but not limited to Lupus, Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC); [Wait for Response]
  - Kidney or Liver disorder– including but not limited to Hepatitis, Polycystic Kidney Disease or Renal Failure; [Wait for Response]
  - Nervous System disorder including but not limited to Muscular Dystrophy; [Wait for Response];
  - Mental/Nervous disorder requiring hospitalization.; [Wait for response] or
  - Neurological disorders including but not limited to epilepsy, Alzheimer, Parkinson's, Amyotrophic lateral sclerosis (ALS), Multiple Sclerosis. [Wait for response].

F. Within the last twelve (12) months, have you or any Dependent to be insured been advised by any medical professional to have any medical treatment, diagnostic testing or surgery that has not been completed? [Wait for response]

G. Are all persons to be insured United States citizens? If any person to be insured is not a United States citizen, has that person resided outside the United States at any time over the last 24 months? [Wait for response]

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## **NCE Premier Short Term Medical Verification Script**

**Fraud Warning** – Certain state insurance departments require that we advise you of the following statements: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud as determined by a court of law.

#### If member resides in any of the following states verifier must recite the state disclaimer below:

**Arkansas, Louisiana, Minnesota, New Mexico and Ohio Residents:** Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

**California Residents:** Any person who knowingly presents a false or fraudulent claim of payment of a loss is guilty of a crime and may be subject to civil fines and confinement in state prison.

**Colorado Residents:** It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory agencies.

**District of Columbia Residents**: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**Florida Residents:** Any person who, knowingly and with intent to injure, defraud, or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony of the third degree.

**Kentucky Residents:** Any person who, knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**Maine and Tennessee Residents: It** is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**Maryland Residents:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**New Jersey Residents:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**New York Residents:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to: a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**North Carolina Residents:** Any person who knowingly and with intent to injure, defraud or deceive any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and subjects such person to criminal and civil penalties. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the enrollee or Insured Person.

**Oklahoma Residents:** Any person who, knowingly and with intent to injure, defraud, or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony.

**Oregon and Texas Residents**: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

**Pennsylvania Residents:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is NCESTMV 031716

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# **NCE Premier Short Term Medical Verification Script**

a crime and shall also be subject to criminal and civil penalties.

Rhode Island and West Virginia Residents: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefits or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Vermont and Virginia Residents:** Any person who knowingly and with intent to injure, defraud or deceive any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

Washington Residents: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Do you understand that if there are any discrepancies between what your agent told you about the plan and what the actual policy states, that the policy terms will apply? [Wait for Reply].

#### **READ FOR FREEDOM PLATINUM** Not Available in AR, KS, ME, MO, MD, NC, MT, SD

Your plan also includes a Freedom Platinum plan for the monthly cost of \$50.00. Is this correct? [Wait for response] I would like to verify that you understand you are joining the Med-Sense Guaranteed Association. MSGA was formed with the purpose of educating members on health, nutrition, and fitness. They also provide membership scholarships and nursing scholarship programs. As a member of this association you are also entitled to many benefits such as Gymamerica.com, car rental discounts, vitamin discounts, identity theft services, flower discounts, car perks buying network, Sprint discounts. Also, as a MSGA member you were offered and wish to purchase Freedom Spirit Accidental Death and Dismemberment insurance, underwritten by Federal Insurance Company. Is this correct? [Wait for response]

You understand that the Accidental Death and Dismemberment Insurance benefit is a \$250,000 lump sum benefit paid in full or in part to the member, or beneficiary of the member's choice, if written proof is received that the loss occurs while the insurance is in force, the loss occurs within 365 days of the date of the accident and the cause of the loss is not excluded. Is this correct? [Wait for response]

You do understand that benefits will not be paid for losses caused by the following:

- A. Physical or mental illness, disease, pregnancy, emotional trauma
- B. Intoxication
- C. Injury while in military service
- D. Illegal Acts
- E. Use of Narcotics
- F. Suicide or Intentional Injury
- G. War

#### Is this correct? [Wait for response]

You understand that this benefit pays for covered accidents only and does not pay coverage for sickness or losses due to sickness. Is this correct? [Wait for response]

Please make sure to review your Description of Coverage for complete terms and conditions or coverage. Okay? [Wait for responsel

You understand that the Freedom Spirit AD&D Benefits do not provide major medical or catastrophic insurance benefits. The benefits and limitations have been explained to you in detail by your agent. Is this correct?

You understand the Freedom Spirit AD&D Benefits will continue after age 70; however the benefits will decrease to 65% of the Principal Sum at age 70, 45% of the Principal Sum at age 75, 30% of the Principal Sum at age 80, and 15% of the Principal Sum at age 85. Is this correct? [Wait for response]

Please review your Description of Coverage within your 10-day free look period.

In addition to your insurance policy, you have access to the GapAffordPlus program a great way for you and your family to save money on out-of-pocket medical expenses. Your savings start from the first dollar, with no limits. This NCESTMV 031716 Page **4** of **5** 

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#### **NCE Premier Short Term Medical Verification Script**

cost savings program gives members access to pre-negotiated, lowered rates. With GapAffordPlus, there are no:

- Deductibles
- Pre-existing conditions limitations
- Medical exams
- Claims forms
- Limitation on usage
- Age restrictions

As a member of GapAffordPlus you and your family will have access to discount programs such as the OUTLOOK Vision network, the Aetna Dental Access network, prescription discount benefits, chiropractic care, discounts on pet medicine, medical supplies and access to a 24/7 Nurse Helpline along with many other savings programs. A complete listing of program benefits is available at www.hiiquote.com. You understand that GapAffordPlus is neither provided by nor associated with Unified Life?

#### [Read in all states EXCEPT Indiana, Montana, North Carolina, Oregon, South Dakota and Utah]

As a member of the NCE association you are also entitled to association benefits. These benefits include:

- entertainment savings on dining and movies
- · health savings on fitness, prescriptions, hearing, pet meds and pet insurance
- · travel savings on hotels
- vehicle savings on car and truck rentals, moving and storage

A complete listing of association benefits is available on www.hiiquote.com.

You understand that your first payment will be processed today, you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on <u>dd/mm/yyyy</u>, correct? (For a post-dated application use the correct post-dated date) [Wait for response.]

You understand that your next month's payment and re-occurring monthly payment thereafter will be automatically processed from your account on the (effective date) of each month thereafter for the term of the coverage. You do understand this correct? [Wait for response.]

You understand you are signing up for an automatic payment plan. Do you agree that Health Insurance Innovations ("HII") or its authorized agent may automatically debit your bank account or credit card for the amount due on or around the payment due date? [Wait for response]

Do you understand that this authorization will remain in effect until you cancel it in writing, and you agree to notify HII or its authorized agent in writing of any changes in your account information or termination of this authorization, which must be received by HII or its agent at least 7 days prior to the next billing date? If the above-noted periodic payment dates fall on a weekend or holiday, you understand that the payment may be executed on the next business day. [Wait for response]

You understand that because this is an electronic transaction, these funds may be withdrawn from your account as soon as the above-noted periodic transaction dates. You agree that HII or your financial institution can cancel automatic payment for your account for any reason, at any time, with or without prior notice to you. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF), you understand that HII or its agent may, at its discretion, attempt to process the charge again within 30 days, and you agree to an additional \$25.00 charge for each attempt, which will be initiated as a separate transaction from the authorized recurring payment. You acknowledge that the origination of these debits to my account must comply with U.S. laws. This payment authorization is for the type of bill indicated above.

You certify that you are an authorized user of this credit card or bank account. You agree not to dispute this recurring billing with your bank or card issuer so long as the transactions correspond to the terms indicated in this authorization form. [Wait for response]

**NCESTMV 031716** 

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# **NCE Premier Short Term Medical Verification Script**

You do understand that if you cancel your insurance or if we are unable to collect your payment on your bill date your insurance and benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or Unified Life Insurance Company, you do understand this, correct? [Wait for response.]

An email will be sent to the email address you provided and you will have the ability to print or save your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state or company forms. You will also receive within 7 to 10 business day a copy of the welcome letter and ID cards in the mail.

We want to confirm that you agreed to the completion of your application for the Insurance Plan and any applicable benefit programs over the telephone, and that the plan benefits, fraud and state legal notices and cost of the insurance were reviewed with you. You agree that your voice consent will serve as your signature of documents which would otherwise only be valid if they were in writing? Is this correct? [Wait for response]

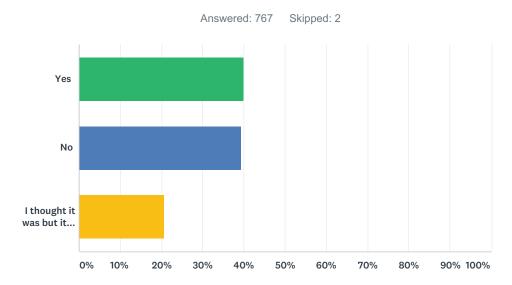
You understand that Health Insurance Innovations, on behalf of its partners, will rely on your electronic signature as consent to receive the documents electronically unless you revoke this consent. You can update your information or revoke this consent at any time by calling HII at 877-376-5831 or emailing support@hiiquote.com. If you decide to withdraw your electronic signature consent, the legal validity and enforceability of electronic transactions and signatures used prior to the withdrawal will not be affected. You may request specific documents at no cost in paper form at any time without revoking this consent. You agree to review the application produced by this voice signature carefully to ensure your understanding of all provisions of the coverage. If you are in agreement with this consent, please say yes. [Wait for response]

#### Thank you

This completes your application verification. Please make sure to read your policy benefits and Limitation and Exclusions within your 10 day free look period. You can access your policy on line at www.hiiquote.com or call customer service if you do not have access to a computer. If you have any questions at any time, please call HII Member Services at 877-376-5831. **End Recording** 

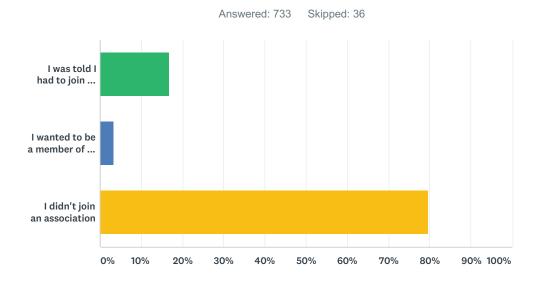
**NCESTMV 031716** 

Q1 As far as you know, was the coverage that you purchased an Affordable Care Act ("ACA") plan? Another term commonly used for an ACA plan is "Obamacare".



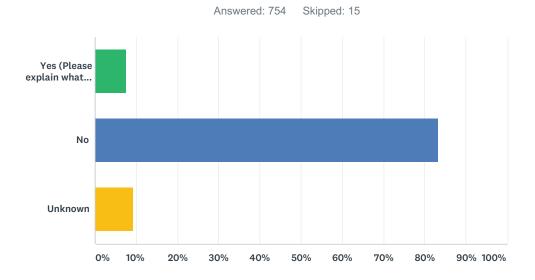
ANSWER CHOICES	RESPONSES	
Yes	40.03%	307
No	39.24%	301
I thought it was but it turned out that it was not	20.73%	159
TOTAL		767

# Q2 Why did you join an association when purchasing the coverage through HII?



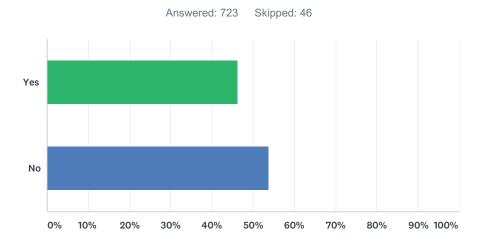
ANSWER CHOICES	RESPONSES	
I was told I had to join the association in order to get the coverage	16.78%	123
I wanted to be a member of the association	3.41%	25
I didn't join an association	79.81%	585
TOTAL		733

# Q3 In addition to the insurance, did you buy other products and/or services along with it?



ANSWER CHOICES		RESPONSES	
Yes (Please explain what you bought and why in the comment section for this question)	7.56%	57	
No	83.29%	628	
Unknown	9.15%	69	
TOTAL		754	

# Q4 Were you given the coverage documents to review prior to agreeing to purchase the coverage?



ANSWER CHOICES	RESPONSES	
Yes	46.20%	334
No	53.80%	389
TOTAL		723

Q5 Is there anything else that you would like the OIC to be aware of?

Answered: 325 Skipped: 444

In Re the Matter of:	OIC Case #: 1593742
HEALTH PLAN INTERMEDIARIES	DECLARATION OF:
HOLDINGS	RON PASTUCH

- I, Ron Pastuch, under penalty of perjury under the laws of the State of Washington, declare the following:
- 1. I am the Holding Company Manager for the State of Washington's Office of the Insurance Commissioner.
- 2. As part of my official duties, I am able to search the official licensing records of the State of Washington's Office of the Insurance Commissioner, and certify if a business entity possesses a State of Washington issued Certificate of Authority, Registration, or License, to act as an Insurer in the State of Washington.
- 3. I have reviewed documentation identifying the Ally RX Plan administered by dataRX.
- 4. The Ally RX pharmacy benefits plan administered by data RX by offering \$10 co-pays for preferred generic prescriptions or 50% whichever is greater or \$30 co-pay or 50% whichever is greater for mail order, up to a maximum benefit of \$200 per covered individual or \$400 per covered family, is required to be licensed in the State of Washington.
- 5. I have conducted a diligent search of the State of Washington's Office of Insurance Commissioner's official licensing records and have found no record of data RX possessing a Certificate of Authority, Registration, or License to act as an insurer and to transact the business of insurance in the State of Washington.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF WASHINGTON STATE THAT THE FOREGOING IS TRUE AND CORRECT.

	Dated this 14	day of	August, 2019.
Renald	- Pasterel		
Signature of I			-
RONALD	PASTURH		
Printed Name			_

ONLY READ II	FALLYRY	DIAN OD.	ION1 IS P	LIRCHASED.

Not Available in AK, KS, MI, ME, MD, MT, NV, NY, NC, OR, SD, UT, AND NM.

	r .
Hi, my name is	I am your representative in the verification department. This verification is being recorded
for compliance purposes.	The verification number is ARX1-DRX-07181861548 and your agent of record is

at \_\_(Company Name).Today's date is \_\_\_\_\_.

You understand that you have also agreed to purchase the Ally Rx plan, with Pharmacy Benefits administered by dataRx, for a monthly cost of \$\_\_\_\_\_\_. This plan offers \$10 copays for preferred generic prescriptions or 50% whichever is greater or \$30 copay or 50% whichever is greater for mail order, up to a monthly benefit period maximum of \$200 per covered individual or \$400 per covered family. You understand that this plan does not have a co-pay for brand name prescriptions, but does offer a discount on brand names when purchased with the Ally Rx card. Your effective date will be \_\_\_\_\_\_. This benefit will bill on a recurring billing on the \_\_\_\_\_\_ of every month thereafter and will remain in force when your short-term medical plan expires. Is this correct? [Wait for response]

Formatted: No underline

Hello, my name is \_\_\_\_\_\_ I am your representative in the verification department, this verification number is SUP-PROD-020117, and your agent of record is \_\_\_\_\_\_ at (**Company Name**). This call is being recorded for quality assurance.

Today is [Date/Time], [Agent Name], is a licensed insurance agent authorized to do business in the state of [Applicant's resident state].

Please state your full name, address, email address and phone number for the recording. [Wait for response]

You understand that these products are not considered "minimum essential coverage" under the Affordable Care Act, also known as "Obamacare," and that you may be subject to a tax penalty. [Wait for response.]

You understand that this insurance does not pay benefits for the first 12 months of coverage for conditions for which medical advice, care, diagnosis, treatment, consultation, or medication was recommended by or received from a Doctor within the 60 months immediately preceding the coverage effective date. If you have a condition that has manifested itself or shows signs or symptoms where a reasonably prudent person would seek medical attention, it will be considered pre-existing regardless of whether you have been diagnosed or treated for the condition previously. This limitation may vary by state, and does not apply to the prescription discount benefit. Is this correct? [Wait for response.]

\_\_\_\_\_

#### **READ FOR Freedom Spirit AD&D**

#### Not Available in AR, KS, ME, MO, MD, NC, MT, SD

I would like to verify that you understand you are joining the Med-Sense Guaranteed Association. MSGA was formed with the purpose of educating members on health, nutrition, and fitness. They also provide membership scholarships and nursing scholarship programs. As a member of this association you are also entitled to many benefits such as Gymamerica.com, car rental discounts, vitamin discounts, identity theft services, flower discounts, car perks buying network, Sprint discounts. Also, as a MSGA member you were offered and wish to purchase Freedom Spirit Accidental Death and Dismemberment insurance, underwritten by Federal Insurance Company. Is this correct? [Wait for response]

#### [If Freedom Spirit \$50,000 option selected]

You understand that the Accidental Death and Dismemberment Insurance benefit is a \$50,000 lump sum benefit paid in full or in part to the member, or beneficiary of the member's choice, if written proof is received that the loss occurs while the insurance is in force, the loss occurs within 365 days of the date of the accident and the cause of the loss is not excluded. Is this correct? **[Wait for response]** 

# [If Freedom Spirit \$100,000 option selected]

You understand that the Accidental Death and Dismemberment Insurance benefit is a \$100,000 lump sum benefit paid in full or in part to the member, or beneficiary of the member's choice, if written proof is received that the loss occurs while the insurance is in force, the loss occurs within 365 days of the date of the accident and the cause of the loss is not excluded. Is this correct? [Wait for response]

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# [Continue here after reading the selected option]

You do understand that benefits will not be paid for losses caused by the following:

- A. Physical or mental illness, disease, pregnancy, emotional trauma
- B. Intoxication
- C. Injury while in military service
- D. Illegal Acts
- E. Use of Narcotics
- F. Suicide or Intentional Injury
- G. War

SUP-PROD-020117

Is this correct? [Wait for response]

You understand that this benefit pays for covered accidents only and does not pay coverage for sickness or losses due to sickness. Is this correct? [Wait for response]

Please make sure to review your Description of Coverage for complete terms and conditions or coverage. Okay? [Wait for response]

You understand that the Freedom Spirit AD&D Benefits do not provide major medical or catastrophic insurance benefits. The benefits and limitations have been explained to you in detail by your agent. **Is this correct?** 

You understand the Freedom Spirit AD&D Benefits will continue after age 70; however the benefits will decrease to 65% of the Principal Sum at age 70, 45% of the Principal Sum at age 80, and 15% of the Principal Sum at age 85. Is this correct? [Wait for response]

As part of your membership you will also receive prescription discount benefits. ScripPal will allow you to save an average of 46%, with potential savings of up to 75% at more than 60,000 pharmacies nationwide. This card can be used for your entire family, including pets and it never expires. Discounts are available exclusively through participating pharmacies and providers. The range of the discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. Pharmacy locater and prescription drug look-up is available at www.yourdiscountrx.com/scrippal/. You understand this, correct? [Wait for response.]

www.yourdiscound x.com/scrippai/. Tou understand this, correct: [wait for response.]
Your monthly cost is \$ / \$
Is this correct? [Wait for response]
Please review your Description of Coverage within your 10-day free look period.
ONLY READ IF Ally RX PLAN IS PURCHASED:
Not Available in AK, AR, CA, CT, HI, ME, MD, MI, MN, MT, NC, ND, NE, NM, NV, NJ, NY, OR, SD, TN, TX, UT, VT
and WA

You understand that you have also agreed to purchase the Ally Rx plan, underwritten by Pram Insurance Services, for a monthly cost of \$ \_\_\_\_\_. This plan offers \$10 copays for generic prescriptions or \$30

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copay for mail order, up to a monthly benefit period maximum of \$200 per covered individual or \$400 per covered family. You understand that this plan does not have a co-pay for brand name prescriptions, but does offer a discount on brand names when purchased with the Ally Rx card. The effective date of this program will be the 1<sup>st</sup> or 15<sup>th</sup> of the month following your enrollment date. This benefit will bill on a recurring billing on the 20<sup>th</sup> or 5<sup>th</sup> of every month thereafter and will remain in force when your short-term medical plan expires. Is this correct? [Wait for response] \*Please note policies effective on the 1<sup>st</sup> will bill on the 20<sup>th</sup> and policies effective on the 15<sup>th</sup> will be on the 5<sup>th</sup>.

\_\_\_\_\_\_

# **READ FOR TelaDoc**

#### **Not Available in AR and ID**

With Teladoc, you have access to a National Network of Board Certified Physicians who provide diagnostic consultations via telephone 24 hours a day, 365 days a year. There is a one-time registration cost of \$10 required before the first consultation. All future calls are guaranteed within one hour, and the consultation is at no cost to you. Every participant is given a user name and access to their Teladoc fulfillment document online.

#### **Verify Billing Information**

You understand that your next month's payment and re-occurring monthly payment thereafter will be automatically processed from your account on the (effective date) of each month thereafter for the term of your membership. You do understand this correct? [Wait for response.]

*Prescriptions by phone consult are not available in Idaho*. Teladoc is not a part of the insurance plan nor is it affiliated with the insurance company.

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# (ONLY READ THIS IF THEY PURCHASE THE OPTIONAL CAREINGTON EXTRA CARE PACKAGE)

#### Not Available in Florida, Montana, Utah, Vermont, and Washington

As your agent ("I" if the agent reads the verification) discussed with you, The Careington Extra Care Package is a discount medical program that includes Maximum Care Discount Network for dental discounts, Resources for Living services, Carenet, and discounts on diabetic and medical supplies, and vision. Please refer to your policy documents for a full explanation of plan features.

This is just to confirm your understanding that the package you are purchasing is a discount plan only and is not insurance, as explained to you by your agent and as per the disclosure on the website and in your fulfillment materials. Do you understand? [Wait for response]

If you have any questions about the Careington ECP purchase, please advise so we can connect you with your agent. Do you have any questions? [Wait for response]

Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 332 of 761 PageID 734 Please review your policy benefits and Limitations and Exclusions within your 30-day free look period ONLY READ IF CIGNA DENTAL NETWORK ACCESS IS PURCHASED Not available in: AK, HI, MT, ND, RI, SD and WY. You understand that you have also agreed to purchase the Cigna Dental Network Access plan, offered by Cigna Dental and administered by Health Insurance Innovations, for a(n) [Monthly / Semi-Annual / Annual] payment of \$ . Is this correct? [Wait for response] Mr. or Mrs. \_\_\_\_\_, you understand that Cigna Dental Network Access Plan is **not** dental insurance. It is a discount dental program that provides members access to discounted fees, pursuant to DPPO fee schedules negotiated by Cigna Dental with participating dentists. Members are responsible for paying all charges directly to participating dentists at the time services are rendered. Cigna's dental discounts average 35% nationwide when compared to average area charges. These discounts depend upon procedure codes, geographic location, and the Cigna Dental contracted rate agreed upon with the dentist or dental specialist. Is this correct? [Wait for response] You understand that you must visit a participating provider of Cigna Dental Network Access to receive a discounted fee. Is this correct? [Wait for response] You must present your Cigna Dental ID card when visiting your Cigna Participating Provider. If not, the discounted rate will not apply and you may be charged his usual and customary fee. You understand that your next [Monthly / Semi-Annual / Annual] payment will be processed from your account at the end of your [Monthly / Semi-Annual / Annual] term, for the next [Month / Six months / 12 months] of your plan. Is this correct? [Wait for response] Please note there is a 30-day review period for this policy. **ONLY READ IF Ameritas USA Dental Plus is purchased** Not Available in AK, MI, MT, NH, NY, SD

This call will confirm that you do understand that you are purchasing a dental plan offered through USA+, underwritten by Ameritas Life Insurance Company.

We welcome you as a member of USA for Health Care. You have made a great choice in selecting

(appropriate plan and membership type) membership program. You will receive an email from the plan administrator that will give you access to your member portal to review your dental membership program.

The effective date for your plan will be \_\_\_\_\_\_.

You understand that your first payment will be processed today, you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on dd/mm/yyyy, correct (For a post-dated application use the correct post-dated date) [Wait for response.]

Please make sure to read your policy benefits, Limitation, and Exclusions within your 30-day free look period. You can access your policy on line at www.hiiquote.com or call customer service if you do not have access to a computer. If you have any questions at any time, please call MY BENEFITS TRACKER Member Services at 844-792-6985.

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# ONLY READ IF FOUNDATION DENTAL IS PURCHASED

### Not Available in: AK, CO, GA, KS, ME, MD, MI, MT, NH, NC, SD, VT, WA, WY

I would like to verify your understanding that what you are purchasing is a membership in the Med-Sense Guaranteed Association. As a member of this association you are entitled to many benefits such as Sprint, ID resolution, floral discounts, gym America, vitamin discounts, car rental, and car perks. Your membership also includes the Foundation Dental Plan underwritten by National Casualty Company. [Wait for response]

You understand that your plan pays for covered expenses based on the maximum reimbursement for the following benefits (Only read the selected benefit level):

<u>Benefits</u>	Protector	Defender	Guardian
Plan Year Deductible (Per Person)	\$0	\$50	\$50
Plan Year Maximum Benefit (Calendar Year)	\$500	\$1,000	\$1,500
Deductible Waived In-Network Preventative	Y	Y	Y
Diagnostic & Preventative Services (% of Covered Expenses)	100%	100%	100%
Diagnostic & Preventative Services- Benefit Waiting Period	3 Mos.	None	None
Basic Services (% of Covered Expenses)	PPO Discount only*	70%	70%
Basic Services-Benefit Waiting Period	*	6 Mos.	6 Mos.
Major Services (% of Covered Expenses)	PPO Discount only*	PPO Discount only*	<mark>50%</mark>
Major Services-Benefit Waiting Period	*	*	12 Mos.

\*(DO NOT read the following in MA, NC, NJ, and VA) You understand that you have access to the Maximum Care PPO Network, and you are able to receive Participating Provider discounts on all classes of service, with no waiting periods to access the network. Is this correct? [Wait for response]

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(Read for all) You understand your effective date will be the first of the month following your enrollment, and subsequent monthly payments will be withdrawn on the 28<sup>th</sup> of the month, is this correct? [Wait for response]

(Not Available in FL, MT, UT, VT or WA) Included with your Foundation Dental plan is the EyeMed Vision plan. The EyeMed Vision plan is a discount program that offers you savings of 20% to 40% on the retail price of eyewear, and discounts on exams through the Access network. With EyeMed, you are able to order replacement contact lenses by mail. As a member, you also receive 15% off standard prices or 5% off promotional prices, and free exams for LASIK through LASIKPlus.

- This is just to confirm your understanding that the EyeMed Vision package you are purchasing is a discount plan only and is not insurance. Do you understand? [Wait for response]
- Please confirm that you would like to purchase this discount plan. [Wait for response]

You understand that your policy and ID card will be provided electronically? [Wait for response]

Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state within your 30-day free look period.

# ONLY READ IF FOUNDATION VISION IS PURCHASED

Not Available in AK, CO, FL, GA, ME, MD, MT, NC, NH, NJ, NY, SD, UT, VT, WA

Please note Foundation Vision can only be sold in conjunction with STM or Foundation Dental purchase You have also agreed to purchase the Foundation Vision plan, for a monthly cost of \$\_\_\_\_\_\_. Is this correct? [Wait for response]

You understand that this policy utilizes the Vision Plan Services Network (VSP), and that by visiting a provider that participates in the VSP network, you will receive vision insurance benefits, including the following:

- Eye Examinations, once every 12 months, after a \$10 copay
- Lenses, once every 24 months, after a \$25 copay
- Frames, once every 24 months, to a maximum of \$130
- Elective Contact Lenses Fitting and Evaluation, once every 24 months, covered in full after a \$60 copay
- Elective Contact Lens Materials covered in full to a maximum of \$130, in lieu of frame and lenses
- Visually Necessary Contact Lenses, once every 24 months, covered in full

Is this correct? [Wait for response]

You understand that if you choose to visit a non-participating provider, you will receive reimbursement for each service, subject to the amount listed on your Schedule of Benefits. Is this correct? [Wait for response]

You understand that the maximum benefit for all vision services and materials is \$1,000, correct? [Wait for response]

You understand that your policy and ID card will be provided electronically? [Wait for response]

Annual Plan- You understand that you have purchased an annual plan and that if you choose to cancel after the free look period, you will not receive a refund of your premium. [Wait for response]

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Please review your policy for any additional exclusions, limitations and acknowledgments specific to your state within your 30-day free look period. Ok? [Wait for response]

\_\_\_\_\_\_

#### Safeguard Critical Illness Insurance Plan Verification

Not Available in AR, CA, CT, DC, FL, GA, KS, MD, MI, MN, MO, MT, NC, NH, NJ, NY, OH, TN, VA, WA I would like to verify that you understand you are joining the Med-Sense Guaranteed Association. MSGA was formed with the purpose of educating members on health, nutrition, and fitness. They also provide membership scholarships and nursing scholarship programs. As a member of this association you are also entitled to many benefits such as Gymamerica.com, car rental discounts, vitamin discounts, identity theft services, flower discounts, car perks buying network, Sprint discounts. Also, as a MSGA member you were offered and wish to purchase Safeguard Critical Illness insurance, underwritten by Federal Insurance Company.

Please state your full name:

Please state your address and phone number:

You are placing dependent(s) on your plan and to verify, their names are (**DEPENDENT NAMES**). Is that correct?

You understand that the Safeguard Critical Illness Benefits do not provide major medical or catastrophic insurance benefits. The benefits and limitations have been explained to you in detail by your agent. **Is this correct?** 

You understand the insurance portion of your membership will continue after age 70; however the benefits reduce by 50% if an insured member is age 70 or older on the date a benefit becomes payable. **Is this correct?** 

You understand the Critical Illness insurance does not pay a benefit for any claims resulting from a pre-existing condition. A pre-existing condition means any illness, disease, injury, mental illness or condition for which medical advice, Diagnosis, care or treatment: 1) was received by an Insured Person; 2) was recommended to an Insured Person; or 3) would have been sought by a reasonably prudent person, during the 12 month period before becoming insured under the policy. Is this correct?

You understand that the Critical Illness policy contains additional exclusions and those exclusions were explained to you in detail by your agent. **Is this correct?** 

**(STAND ALONE POLICIES ONLY)** As a MSGA member, there is a one-time charge of \$\_\_\_\_\_ for the PEP benefit, an online personal health and wellness program designed to help members achieve goals regardless of age, gender or level of fitness.

As part of your membership you will also receive prescription discount benefits. ScripPal will allow you to save an average of 46%, with potential savings of up to 75% at more than 60,000 pharmacies nationwide. This card SUP-PROD-020117

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can be used for your entire family, including pets and it never expires. Discounts are available exclusively through participating pharmacies and providers. The range of the discounts will vary depending on the type of provider and services rendered. This program does not make payments directly to providers. Members are required to pay for all health care services. Pharmacy locater and prescription drug look-up is available at <a href="https://www.yourdiscountrx.com/scrippal/">www.yourdiscountrx.com/scrippal/</a>.

You understand that the cost of the Critical Illness insurance is based on your attained age. The rate will increase to the next tier upon the coverage year anniversary date after the primary insured enters into the next age band. The adjusted premium will bill on the first billing cycle of the new coverage year. **VERIFY PERSONAL INFORMATION AS ENTERED ON APPLICATION** 

That brings your first month's total MSGA membership dues to \$\_\_\_\_. The monthly cost of your critical illness insurance is \$xx.xx and is included in the membership dues. This will be billed today to your (Visa, MasterCard, or ACH), and your membership becomes effective on dd/mm/yyyy, correct? [Wait for response.]

# **Verify Billing Information**

You understand that your next month's payment and re-occurring monthly payment thereafter will be automatically processed from your account on the (effective date) of each month thereafter for the term of your membership. You do understand this correct? [Wait for response.]

You do understand that if you cancel your membership or if we are unable to collect your payment on your bill date your membership benefits will be cancelled. No representation by an agent or any other person shall be binding on Health Insurance Innovations or Chubb Insurance Company, you do understand this, correct? [Wait for response.]

Please review your policy benefits and Limitations and Exclusions within your 10-day free look period.

#### **SLAICO Critical Illness**- Only approved agents

#### Not Available in AL, CA, CO, CT, DC, FL, GA, MA, ME, MN, NH, NJ, NY, SD, VA, VT or WA

TELEPHONE VOICE CONSENT We want to confirm that you agreed to the completion of your application for the Critical Illness Plan over the telephone, and that the plan benefits, legal notices and cost of the insurance were reviewed with you. You agree that your voice consent will serve as your signature. You agree to review the application produced by this voice signature carefully to ensure your understanding of all provisions of the coverage. You understand that Standard Life and Accident Insurance Company will rely on your signature unless you revoke this consent. You can update your information or revoke this consent at any time by calling Standard Life and Accident Insurance Company's Customer Service Center at 1-888-350-1488 or in writing to: Standard Life and Accident Insurance Company, One Moody Plaza, Galveston, Texas 77550. If you are in agreement with this consent, please say yes.

#### **SPOUSE'S ACKNOWLEDGEMENT** (if applying for coverage)

We want to confirm that you agreed to the completion of your application for the Critical Illness Plan over the telephone and that your spouse has permission to answer the health questions on your behalf and your spouse has full knowledge of your health history. You realize that coverage is provided based on statements and

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answers given on the application. Any Incorrect or incomplete information may result in loss of coverage or claim denial. **To confirm your understanding of these statements, please say yes.** 

☑ ACKNOWLEDGEMENT: You understand that the coverage applied for provides limited benefits and is not a major medical or comprehensive medical benefit plan and is not a substitute for such coverage. The Policy is limited and is not designed to cover all medical expenses. To confirm your understanding of these statements, please say yes.

You understand that this coverage does not meet the minimum standards required by The Federal Health Care Reform Law. Therefore, if you do not purchase or have other comprehensive medical insurance, or unless you are exempt from the tax for some other reason, you may be subject to a tax penalty. The tax penalty is the greater of \$95 for each household member up to three or 1% of income for 2014. This increases to the greater of \$325 for each household member up to 3 or 2% of household income in 2015.

#### **READ FOR PENNSYLVANIA ONLY**

This application is for coverage that is intended only to supplement other basic coverage. **To confirm your understanding of these statements, please say yes.** 

#### **PLAN BENEFITS**

☑ We want to make certain you understand the benefits provided by this coverage. We know this is rather long, but we feel it is important to assure that you have a clear understanding of exactly what is covered by this policy. Critical Illness coverage is designed to provide coverage in the form of a lump sum amount resulting from a Critical Illness. Benefits will not exceed the Maximum Benefit which is three times the Initial Benefit Amount purchased. Upon payment of the Maximum Benefit Amount, coverage will terminate.

Benefits are payable from each of the benefit categories when a person is diagnosed with a Critical Illness. The total benefit payable under each category will not exceed the Initial Benefit Amount. If the first benefit paid from a category is a 100% benefit, no further benefits for other Critical Illnesses under the same category will be paid. If the first benefit paid under a category is not a 100% benefit, subsequent benefits payable under the same category will be paid as a percentage of the initial benefit amount until the sum of all payments from that same category equal the Initial Benefit Amount. Then, no further benefits will be paid under that category except as provided under the Recurrence Benefit.

#### **Category I Critical Illnesses**

Invasive Cancer, the policy pays a 100% of the initial benefit amount if the diagnosis is more than 90 days after the policy date.

Invasive Cancer, the policy pays 10% of the initial benefit amount if the diagnosis is within the first 90 days of the policy date.

Cancer In Situ, the policy pays 25% of the initial benefit amount if the diagnosis is more than 90 days after the policy date,

Cancer In Situ, the policy pays 2.5% of the initial benefit amount if the diagnosis is within the first 90 days of the policy date

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### **Category 2 Critical Illnesses**

Heart Attack, Stroke, Heart Transplant or combination Heart and Other Major Organ Transplant, the policy pays 100% of the initial benefit amount.

Coronary Artery Bypass Surgery, Angioplasty, Aortic Surgery, or Heart Valve Repair or Replacement Surgery, the policy pays 25% of the initial benefit amount.

#### **Category 3 Critical Illnesses**

Major Organ Transplant (not covered in Category 2), Coma, Paralysis, or End Stage Renal Failure the policy pays 100% of the initial benefit amount.

#### **Recurrence Benefit**

In addition to all other benefits otherwise paid under this policy, if a Category 2 or 3 Critical Illness for which a 100% benefit has been previously paid recurs more than 18 months following its first occurrence and if the Maximum Benefit Amount has not been exceeded, we will pay a benefit of 25% of the initial benefit amount paid for up to two (2) such recurrences.

#### **Additional Benefit**

If benefits are paid when you have been diagnosed as having any of the following Critical Illnesses: invasive cancer; heart attack; stroke; major organ failure; coma; or paralysis more than 90 days after your policy date, then an additional benefit equal to the value of 6 times the current monthly premium for this policy will be paid to you. This additional benefit is provided only as the result of the first occurrence of your Critical Illness and does not apply to any claim made under the Recurrence Benefit. **To confirm your understanding of these statements, please say yes.** 

#### **Pre-Existing Conditions**

②For under age 65, a Critical Illness relating to a Preexisting Condition is not covered for the first 12 months after the policy date. For over age 65, a Critical Illness relating to a Preexisting Condition is not covered for the first 6 months after the policy date. **To confirm your understanding of these statements, please say yes.** 

# Read only if 65 or over

If eligible for Medicare, you have received the *Guide to Health Insurance for People with Medicare* and the Important Notice to Persons on Medicare.

This is not Medicare Supplement Insurance. Some health care services paid for by Medicare may also trigger the payment of benefits from this policy. This insurance pays a fixed dollar amount, regardless of your expenses. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement Insurance. To confirm your understanding of these statements, please say yes.

②You understand that there are additional exclusions contained in the policy and you will have 30 days to review the terms and if you are not completely satisfied you can return it for a full refund. **To confirm your understanding of these statements, please say yes.** 

Now I am going to read the ques	tions fror	n the application to $\mathfrak c$	confirm that everything was	s recorded correctly.
1. Will any Critical Illness Insuran	ce be rep	laced with this policy	? □ Yes □ No	
If yes, which company?Policy Number			-	
2. Height and Weight				
Applicant	DOB	Height (Ft. –In.)	Weight (lbs)	
Spouse				
*Spouse/Civil Union Partner				
(Rhode Island only)				
Dependent				
Dependent				
Dependent				
READ FOR INDIANA ONLY  3. In the past 5 years, has the A siblings, either living or deceased		-		-
check all that apply and list name	of Propo	osed Insured:		
READ FOR ALL OTHER STATES				
or deceased, diagnosed with or cand list name of Proposed Insure  Prior to age 60  Cancer Heart Diseauches Kidney Diseauches	d: ase	Stro		, check all that apply
Prior to age 75				
Alzheimer'sColo	rectal Ca	ncerSei	nile Dementia	
<ul><li>4. a. Has the Applicant used any f</li><li>b. Has the Spouse/ (if cover</li><li>c. (READ FOR RHODE ISLAND)</li></ul>	age app	lied for) used any f	orm of tobacco within th	e past 12 months?
form of tobacco within the past 1  ALL STATES				,
5. In the past 2 years has any App	licant or	Proposed Insured be	en informed by a physician	of any abnormal test
results or been advised to have a	ny diagno	·	or procedures which have n I <b>No</b>	ot been performed?
If yes, list the name of the App	licant or	Proposed Insured.	This plan cannot be issued	to any person who
answers yes.				
6. Does the Applicant or any Pro	oposed Ir	nsured use a cane, w	alker, motorized vehicle o	r wheelchair require
mobility assistance by another pe	erson?	□ Yes □ I	No	
If yes, list the name of the App	licant or	Proposed Insured.	This plan cannot be issued	to any person who
answers yes.				

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#### 7. **READ FOR UTAH ONLY**

In the past twelve months, has the Applicant or any Proposed Insured:

- a. Consulted or received treatment from a doctor, chiropractor, counselor, therapist, or other health care provider, including routine and wellness care?
- b. Had a health condition, problem, or disorder for which medical advice or treatment has been sought?
- c. Been prescribed or taken any prescription or over-the-counter medications, drugs, or shots (including immunizations, birth control, etc)?

#### 7.1 **READ FOR INDIANA ONLY**

In the past 10 years has the Applicant or Proposed Insured been diagnosed with, advised by a physician to have diagnostic tests for, been treated for in the past or is currently being treated for any of the following?:

□ Yes □ No

If yes, list the name of the Applicant or Proposed Insured, check all that apply. This plan cannot be issued to any person who answers yes.

Alcohol or Drug Abuse	Hepatitis B, C, or Carrier
Alzheimer's	Human Immunodeficiency Virus (HIV)
	Acquired Immune Deficiency Syndrome
Angioplasty	(AIDS)
Aortic Surgery	AIDS Related Complex (ARC)
Bone Marrow Transplant	Leukemia
Cancer (excluding non-invasive, non-melanoma Skin	
Cancer)	Liver Cirrhosis
Coronary Artery Bypass Surgery	Major Organ Failure or Transplant
Diabetes	Multiple Sclerosis
End Stage Renal Disease	Senile Dementia
Heart Attack	Stroke
Heart Valve Surgery	Transient Ischemic Attack (TIA)

#### 7.2 READ IN ALL OTHER STATES

Has the Applicant or Proposed Insured ever been diagnosed with, advised by a physician to have diagnostic tests for, been treated for in the past or is currently being treated for any of the following?

□ Yes □ No

If yes, list the name of the Applicant or Proposed Insured, check all that apply. This plan cannot be issued to any person who answers yes.

Alcohol or Drug Abuse	Hepatitis B, C, or Carrier
Alzheimer's	Human Immunodeficiency Virus (HIV)
Angioplasty	Acquired Immune Deficiency
	Syndrome (AIDS) AIDS Related Complex
Aortic Surgery	(ARC)
Bone Marrow Transplant	Leukemia
Cancer (excluding non-invasive, non-melanoma Skin	
Cancer)	Liver Cirrhosis
Coronary Artery Bypass Surgery	Major Organ Failure or Transplant
Diabetes	Multiple Sclerosis
End Stage Renal Disease	Senile Dementia
Heart Attack	Stroke

Transient Ischemic Attack (TIA)

### \*7.3. STATE SPECIFIC HIV WORDING

# ARIZONA (only)

Has the Applicant or any Proposed Insured been treated for or diagnosed by a medical professional as having acquired immune deficiency syndrome (AIDS), AIDS related complex (ARC) or human immunodeficiency virus (HIV) infection verified by prior FDA approved tests consisting of both a positive screening test and a positive supplement test (example: enzyme-linked immunoassay) (ELISA) and (Western Blot)?

### **KENTUCKY** (only)

Has the Applicant or any Proposed Insured tested positive for Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC)?

# MISSOURI (only)

In the past 10 years, has the Applicant or Proposed Insured been positively diagnosed or treated by a physician as having Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC)

# ILLINOIS (only)

Has the Applicant or any Proposed Insured ever received services from a physician or other appropriately licensed clinical professional acting within the scope of his/her license for the testing or diagnosis of or treatment for AIDS (Acquired Immune Deficiency Syndrome), ARC (AIDS Related Complex) positive HIV (Human Immunodeficiency Virus) test, or any other immunological disorder?

# OHIO (only)

Has the Applicant or any Proposed Insured ever been diagnosed as having AIDS, or an AIDS-related condition or ever received a positive result on an HIV test? ("Positive result" does not mean an initial positive result that further testing showed to be false)?

# **ALL STATES**

8. In the past 5 years, has the Applicant or any Proposed Insured been diagnosed with or treated for any of the following conditions?

Abnormal Mammogram	Hyperlipidemia
	Kidney Disease (except non-chronic kidney stones or
Abnormal Moles or Lesions	infection)
Abnormal Pap Smear	Liver Disease
	Lung Disease (except asthma that has never required
Abnormal Prostate-Specific Antigen (PSA)	hospitalization and non-chronic bronchitis
Basal or Squamous Cell Carcinoma	Pancreas Disorder
Crohn's Disease (except irritable bowel disease	
or mucus colitis)	Polyps
Disease or disorder of the heart or blood	
vessels	Pre-cancers Lesions/Tumors
Disease of the nervous system (except non-	
chronic shingles)	Recurrent Breast Tumors
Dysplastic Nevi	Recurrent Human Papilloma Virus (HPV)

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Fibrocystic Breast Disease (with history of		
biopsy)	Skin Cancer	
High Blood Pressure	Ulcerative Colitis	
High Cholesterol	Unexplained Tumors / Growth	

### Provide the following information for each condition checked yes.

Name	Condition	Medicatio	Treatment	Results	Physician
		n	Dates		Name/Address

☑DECLARATION AND AGREEMENT: It is declared that all statements and answers in this application are complete and true to the best of your knowledge and belief. You understand that this information will be used to determine each person's eligibility for coverage under the Policy and any incorrect or incomplete information on this application may result in loss of coverage or claim denial. You (and your Spouse or Dependent, if applying) must be eligible based on the Company's rules in effect on the date of Application and on the Policy Effective Date. No insurance shall take effect unless a policy is issued and actually delivered to the Applicant and the first full premium paid. Policy coverage (or Reinstatement of coverage), if approved and issued by the Company, will become effective on the date recorded in the Policy Schedule of Benefits and not the date the application is signed. You understand that no agent or producer can accept risks, modify policies, or waive any rights or requirements of the Company.

Any person presenting a false or fraudulent claim for payment of a loss or benefit, or knowingly presenting false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

Included in your plan cost is access to the Rx Helpline Prescription Advocacy program. The Helpline is staffed by a team of advocates who specialize in finding the lowest cost alternative for prescription medications. Information about the Rx Helpline can be located at <a href="http://therxhelpline.com">http://therxhelpline.com</a>. This program is not affiliated with Standard Life and Accident Insurance Company.

Is this correct? [Wait for response]

You understand that your first payment will be processed upon Health Insurance Innovations' receipt of SLAICO's underwriting approval, and your plan becomes effective on dd/mm/yyyy, correct? [Wait for response.]

Please review your policy and certificate for a list of any exclusions, limitations and acknowledgements specific to your state within your 30-day free look period. Ok? [Wait for response.]

#### **Limited Benefit Plan**

You must read this script word for word and record the entire call.

Do you understand you are electing to enroll in the Med-Sense Guaranteed Association with Fixed Cash Benefit plan for (single /single & spouse /single and child /family) coverage? [Wait for response]

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You understand that you have selected a membership package that includes a Limited Benefit Health Insurance policy along with other benefits and services associated with your MSGA membership?

You understand that you have a free trial period of 30 days? During this trial period or "free look", you can cancel this membership and receive a full refund including the one-time enrollment fee?

You understand that the coverage applied for provides limited benefits and is not a major medical or comprehensive medical benefit plan and is not a substitute for such coverage. The Policy is limited and is not designed to cover all medical expenses.

You understand that this coverage does not meet the minimum standards required by The Federal Health Care Reform Law. Therefore, if you do not purchase or have other comprehensive medical insurance, or unless you are exempt from the tax for some other reason, you may be subject to a tax penalty. *Please read the below for the appropriate number of members on the policy*.

**1 person:** The tax penalty is the greater of \$95 or 1% of income for 2014. This increases to the greater of \$325 or 2% of household income in 2015.

**2 persons:** The tax penalty is the greater of \$190 or 1% of income for 2014. This increases to the greater of \$650 or 2% of household income in 2015.

**3** or more persons: The tax penalty is the greater of \$285 or 1% of income for 2014. This increases to the greater of \$975 or 2% of household income in 2015.

# To confirm your understanding of these statements, please say yes.

We want to make certain you understand the benefits provided by this coverage. We know this is rather long, but we feel it is important to assure that you have a clear understanding of exactly what is covered by this policy. This coverage is indemnity coverage. That means it does not pay a set percentage of medical bills, rather this coverage pays a set dollar amount. These amounts are as follows:

#### **Plan Benefits**

- Doctor's Office Visit benefit of \$50, maximum of 2 days per certificate year
- Preventive Care office visit benefit of \$75, maximum of 1 day per certificate year
- X-Ray test benefit of \$50, maximum of 2 days per certificate year
- Lab test benefit of \$50, maximum of 2 days per certificate year

# To confirm your understanding of these statements, please say yes. [Wait for response]

Please review the schedule of benefits in your fulfillment materials once you receive them and if you have any questions or are confused about any benefits, please contact us so we can help you. I'll provide you with our phone number at the end of this verification.

You understand that even though this health plan is guaranteed issue and you cannot be turned down for coverage based on your health status, your application must first be processed and membership payment received prior to your receiving any benefits under the plan.

You understand that if you have a pre-existing condition, the limited medical benefits may not be immediately available for claims associated with this condition. Specifically, if you have had care rendered or prescribed to

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you by a physician within the 12 months leading up to your effective date, you will have a waiting period for twelve months before any claims related to your condition will be covered.

You understand that if there is any discrepancy between what you thought the Agent told you about the plan and what the actual policy states, that the policy terms apply.

To confirm your understanding of these statements, please say yes. [Wait for response]

Your total membership cost consists of association information and awareness benefits, consumer savings and service programs, insurance coverages, marketing and administration costs.

The insurance premium is:

#### Plan

Individual	\$24.30
Individual + Spouse	\$48.61
Individual + Child	\$38.89
Family	\$63.19

Your total monthly MSGA membership cost, including insurance premium is:

#### Plan

Individual	\$29.50
Individual + Spouse	\$57.50
Individual + Child	\$46.50
Family	\$76.50

Your membership will be effective on \_\_\_\_\_\_\_. Do you understand? (Yes response required)

#### **VERIFY PERSONAL INFORMATION AS ENTERED ON APPLICATION**

Now, your monthly payment will be \$ .

#### [Read enrollment cost if applicable]

There is a one-time enrollment cost of \$\_\_\_\_\_. That brings your first month's total to \$\_\_\_ and only \$\_\_\_\_ for each month after that.

# **Verify Billing Information**

This will be billed today to your (Visa, MasterCard, or ACH), correct? [Wait for response.] You understand that your first payment will be processed today, and you will see that payment withdrawn within the next 24 hours, and your plan becomes effective on <a href="mailto:dd/mm/yyyy">dd/mm/yyyy</a>, correct? (For a post-dated application use the correct post-dated date) [Wait for response.]

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You understand that your next month's payment and each recurring monthly payment thereafter will be automatically processed from your account on the (effective date) for the term of the coverage. You do understand this correct? [Wait for response]

You do understand that if you cancel your insurance or if we are unable to collect your payment on your billing date, your insurance and benefits will be cancelled. Correct? [Wait for response]

An email will be sent to the email address you provided, giving you the ability to download, print, and review your Application for Insurance, I.D. Cards, Insurance Certificate, Schedule of Benefits and any other state-specific or company forms. You will also receive a copy of the welcome letter and ID cards in the mail within 7 to 10 business days.

You can access your policy online at <a href="www.hiiquote.com">www.hiiquote.com</a> or call customer service if you do not have access to a computer. If you have any questions at any time, please call MY BENEFITS TRACKER Member Services at 844-792-6985. You do understand this, correct? [Wait for response.]

You understand that an overview of the Association and Security & Privacy disclaimers are available for you to review on the internet at <a href="https://www.hiiguote.com">www.hiiguote.com</a>

No representation by an agent or any other person shall be binding on Health Insurance Innovations or the Insurance Company. [Wait for response.]

I authorize Health Insurance Innovations, Inc. and its agents or independent contractors to contact me at my current landline and/or cellular number and any future cellular phone number, email address, or wireless device with information related to my account, my policies, or to receive general information from MY BENEFITS TRACKER. I also authorize MY BENEFITS TRACKER and its agents and independent contractors to use automated telephone dialing equipment, artificial or pre-recorded voice or text messages, and emails in their efforts to contact me. Furthermore, I understand that this consent is not a condition for the purchase of my insurance policies, and I may withdraw this consent at any time by submitting my request in writing to MY BENEFITS TRACKER.

If you agree and consent to this communications authorization, please say 'I agree.' [Wait for response.]

NOTICE OF VOICE CONSENT TO ELECTRONIC TRANSACTIONS, SIGNATURES AND DOCUMENTS

I consent to use of electronic signatures of documents which would otherwise only be valid if they were in writing. (Is this correct?)

We want to confirm that you agreed to the completion of your application for the Insurance Plan and any applicable benefit programs over the telephone, and that the plan benefits, legal notices and cost of the insurance were reviewed with you. You agree that your voice consent will serve as your signature. Is this correct? [Wait for response]

I understand that Health Insurance Innovations, on behalf of its partners, will rely on my signature as consent to receive the documents electronically unless I revoke this consent. I can update my information or revoke this consent at any time by calling MY BENEFITS TRACKER at 844-792-6985 or emailing <a href="mailto:support@hiiquote.com">support@hiiquote.com</a>. If I decide to withdraw my consent, the legal validity and enforceability of electronic transactions and

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signatures used prior to the withdrawal will not be affected. I may request specific documents at no cost in paper form at any time without revoking this consent. I agree to review the application produced by this voice signature carefully to ensure my understanding of all provisions of the coverage.

If you are in agreement with this consent, please say yes.

GREAT! That completes your verification!!!

(STOP RECORDING)

001394189 01/02/2020 1,500,000.00

# STATE OF WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

Order No. 19-0477

HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC,

WAOIC No. 813017 FEIN 46-0580972

Licensee.

CONSENT ORDER LEVYING A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.15.020, RCW 48.17.530, RCW 48.17.560, RCW 48.155.130, RCW 48.30.010, and Health Plan Intermediaries Holdings, LLC. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

#### **BASIS:**

- 1. Health Plan Intermediaries Holdings, LLC ("the Licensee" or "HPIH") is a nonresident insurance producer licensed in the state of Washington since July 18, 2012.
- 2. HPIH's website describes itself as a market leading cloud-based technology platform and distributor of health insurance products.
- 3. According to HPIH's website, HPIH assists in the development of insurance products through relationships with insurance companies. HPIH also provides access to insurance products via a network of licensed insurance agents, HPIH's call center network, and HPIH's exclusive online platform.
- 4. The Insurance Commissioner conducted an investigation and gathered information from HPIH, several insurance carriers, numerous insurance producers, and other entities. Some of these entities are not licensed as required in the state of Washington to conduct the requisite business.

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CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

State of Washington
Office of the Insurance Commissioner

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PO Box 40255 Olympia, WA 98504-0255

- 5. The Insurance Commissioner also reviewed billing records from a sample of hundreds of Washington consumers that purchased insurance products from HPIH.
- 6. From January 1, 2016, through October 1, 2018, HPIH sold 34,351 short-term medical, limited medical, and ancillary products to Washington consumers.
- 7. GapAfford Plus ("GapAfford") is a package of various discount programs administered by AccessOne Consumer Health ("AccessOne").
- 8. GapAfford was sold by HPIH with other discount programs to Washington consumers as part of an association membership in the National Congress of Employees ("NCE").
- 9. AccessOne is an administrator and not licensed to act as a health care discount plan organization ("DPO") in Washington.
- 10. NCE identifies itself as an association and is not licensed to act as a DPO in Washington.
- 11. The NCE Discount Benefit Program Member Handbook, provided by HPIH to consumers upon enrollment, states that GapAfford is not available in Washington.
- 12. Between January 1, 2016, and October 10, 2018, HPIH sold 3,286 GapAfford plans to Washington consumers and collected \$346,644.48 and \$69,240 in administrative fees.
- 13. ScripPal, a prescriptions savings program administered by Medical Security Card Company, LLC ("MSC"), was sold by HPIH with other discount programs as part of the NCE membership and other consumer association memberships.
  - 14. MSC is not licensed to act as a DPO in Washington.
- 15. HPIH produced a sales script which refers to ScripPal and states "[a]s part of your membership, you will also receive a discount pharmacy and medical savings card."
- 16. HPIH asserts that Washington consumers were not charged for ScripPal, and that ScripPal was provided to Washington consumers at no cost.
- 17. In 2016 and 2017, HPIH collected \$1,199,792.50 from 17,225 Washington consumers for association membership. Such association membership included participation in ScripPal.
- 18. Although HPIH believes it has provided documentation showing no charge for ScripPal, the OIC finds such information inadequate.

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- 19. Ally RX, is a discount product administered by dataRx, which offered \$10.00 copays for generic prescriptions and \$30 co-pays for mail order, up to a maximum monthly benefit of \$200 per individual or \$400 per family.
- 20. Ally RX was sold by HPIH with various discount programs as part of association membership in Alliance for Consumers USA, Inc. ("ACUSA"), another consumer association.
- 21. HPIH provided documentation to the Insurance Commissioner indicating that Ally RX was previously administered by PRAM Insurance Services, Inc. ("PRAM").
  - 22. dataRX is not licensed to act as a DPO or as an insurer in Washington.
- 23. ACUSA identifies itself as an association and is not licensed to act as a DPO or as an insurer in Washington.
  - 24. PRAM is not licensed to act as a DPO or as an insurer in Washington.
- 25. HPIH produced a sales script that states "[y]ou understand that you have also agreed to purchase Ally Rx plan, with Pharmacy Benefits provided by dataRX, for a monthly cost of ...".
- 26. HPIH produced a sales script for use in many states, including Washington, which states Ally RX is not available for sale in Washington.
- 27. Between January 1, 2016 and October 1, 2018, HPIH sold Ally RX to 547 Washington consumers and collected \$102,213.97 and \$27,834 in administrative fees.
- 28. Foundation Dental is a dental plan product underwritten by Nationwide Casualty Company ("Nationwide"), and offered through membership in MedSense Guaranteed Association ("MedSense").
- 29. HPIH produced a sales script that includes a disclaimer stating that Foundation Dental is not available for sale in Washington.
- 30. When HPIH discovered that there were an inadvertent and a small number of sales of Foundation Dental in the state of Washington, it immediately reached out to the carrier Nationwide and reported the sales. Nationwide then contacted each of the enrollees, informed them of the need for cancellation, and that they would be receiving full refunds.
- 31. HPIH acknowledges that Foundation Dental was inadvertently sold in Washington, and provided full refunds to the 23 Washington consumers.
- 32. In correspondence with the Insurance Commissioner, Nationwide reported that Foundation Dental was sold to 23 Washington residents, but no policies were issued to these

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consumers. HPIH remitted \$2,471.01 in premium to Nationwide and received \$395.36 in commission.

- 33. Foundation Dental was not filed with, nor approved by, the Insurance Commissioner, as required under Washington insurance law.
- 34. The Insurance Commissioner found HPIH acted as an agent of two (2) insurance carriers without the carriers appointing HPIH. HPIH was never appointed by Unified Life Insurance Company ("Unified") and Gerber Life Insurance Company ("Gerber"). HPIH sold insurance policies and discount plans on behalf of these carriers.
- 35. From the beginning of 2016 through October 1, 2018, more than three-quarters (75.5%) of HPIH's sales to Washington consumers were by 434 insurance producers not affiliated with HPIH at the time of sale. Such sales constituted 25,945 insurance transactions.
- 36. Prior to February 2018, HPIH had a single affiliated insurance producer. Between February 2018 and July 2019, HPIH affiliated approximately 200 insurance producers.
- 37. In correspondence with the Insurance Commissioner, HPIH stated that it conducts business in Washington under the following doing business as names ("DBA"): Health Insurance Innovations, AgileHealthInsurance, and MyBenefitsKeeper.
- 38. HPIH has not registered MyBenefitsKeeper with the Insurance Commissioner but has registered it as a trade name with the State of Washington.
- 39. HPIH voluntarily suspended business in the State of Washington on or about April 3, 2019, before the findings of the investigation were determined or made available.
- 40. RCW 48.15.020(2)(a) states that a person may not, in this state, represent an unauthorized insurer except as provided in this chapter.
- 41. RCW 48.15.020(3) states that each violation of subsection (2) of this section constitutes a separate offense punishable by a fine of not more than twenty-five thousand dollars, and the Insurance Commissioner, at the Insurance Commissioner's discretion, may order replacement of policies improperly placed with an unauthorized insurer with policies issued by an authorized insurer. Violations may result in suspension or revocation of a license.
- 42. RCW 48.155.130(1)(b) states that whenever the Insurance Commissioner has cause to believe that any person is violating or is about to violate any provision of this chapter or any rules adopted under this chapter or any order of the Insurance Commissioner, the Insurance Commissioner may after hearing or with the consent of the discount plan organization and in

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addition to or in lieu of the suspension, revocation, or refusal to renew any license, impose a monetary penalty of not less than one hundred dollars for each violation and not more than ten thousand dollars for each violation.

- 43. RCW 48.17.067(1) states any insurance producer soliciting, negotiating, or procuring an application for insurance or health care services in this state must make a good faith effort to determine whether the entity that is issuing the coverage is authorized to transact insurance or health coverage in this state.
- 44. RCW 48.17.160(1) states an insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.
- 45. WAC 284-17-473 states that individual licensees that represent a business entity or act on its behalf must be affiliated with the licensed business entity. A business entity must have at least one affiliated individual licensee in order to transact insurance business. Each business entity must provide the Insurance Commissioner with the names of all individual licensees authorized to represent the business entity and act on its behalf by electronic submission and pay the applicable fees.
- 46. RCW 48.17.180 states that an insurance producer doing business under any name other than the insurance producer's legal name is required to register the name in accordance with chapter 19.80 RCW and notify the Insurance Commissioner before using the assumed name.
- 47. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for demonstrating incompetence, and the Insurance Commissioner is not making a finding and does not find applicable any other item in RCW 48.17.530(1)(h) in this Order.
- 48. RCW 48.17.560 provides after hearing or upon stipulation by the licensee, and in addition to or in lieu of the suspension, revocation, or refusal to renew any such license, the Insurance Commissioner may levy a fine upon the licensee, for each offense, in an amount not more than one thousand dollars.
- 49. The parties have reached this settlement agreement in order to resolve this dispute and avoid litigation. This agreement is not to be considered determinative of any matter not involving the Insurance Commissioner for the State of Washington. The Licensee accepts the

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Insurance Commissioner's finding that by selling unauthorized discount medical plans to Washington consumers, the Licensee violated RCW 48.17.067 and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.155.130(1)(b), RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. The Licensee accepts the Insurance Commissioner's finding that by selling an unauthorized insurance product to Washington consumers, the Licensee violated RCW 48.17.067, RCW 48.15.020(2)(a), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. The Licensee accepts the Insurance Commissioner's finding that by selling insurance products on behalf of insurance carriers without being appointed, the Licensee violated RCW 48.17.160(1) and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. The Licensee accepts the Insurance Commissioner's finding that by selling insurance to Washington consumers through insurance producers not affiliated with the Licensee, the Licensee violated WAC 284-17-473 and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. The Licensee accepts the Insurance Commissioner's finding that by failing to register a name under which it does business (DBA) with the Insurance Commissioner, the Licensee violated RCW 48.17.180, justifying the imposition of a fine under RCW 48.17.530(1)(b), and RCW 48.17.560.

#### **CONSENT TO ORDER:**

The Insurance Commissioner of the state of Washington and the Licensee agree the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Licensee consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Licensee's payment of a fine, and upon such terms and conditions as are set forth below:

- 1. The Licensee acknowledges its duty to comply fully with the applicable laws of the state of Washington.
- 2. The Licensee consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
- 3. By agreement of the parties, the Insurance Commissioner will impose a fine of One Million Five Hundred Thousand Dollars (\$1,500,000.00) to be paid by **December 31, 2019**.

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CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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- 4. The Licensee understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations. The signing of this Order resolves all issues with respect to any actions taken by HPIH that were investigated by OIC or known by OIC through the date of the signing of the Order.
- 5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Washington Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit or other legal proceeding involving any party other than the Insurance Commissioner for the State of Washington.

EXECUTED this 24th day of Delember , 2019

HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC

Signature: Janus Posenthal, ESQ

Printed Corporate Title: VP Legal Affairs

#### AGREED ORDER: .

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

- 1. The Licensee shall pay a fine in the amount One Million Five Hundred Thousand Dollars (\$1,500,000.00) receipt of which is hereby acknowledged by the Insurance Commissioner.
- 2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Washington Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding, or conclusion contained CONSENT ORDER LEVYING A FINE

  7 State of Washington

ORDER NO. 19-0477

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herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner for the State of Washington.

ENTERED this 2nd day of January

MIKE KREIDLER Insurance Commissioner

10 7 - 1 - 1

By and through his designees

DANIEL JACOB

Insurance Enforcement Specialist

Legal Affairs Division

SOF A PASAROW

Insurance Enforcement Specialist

Legal Affairs Division

2020.

# CONFIDENTIAL. DO NOT COPY OR DISTRIBUTE BEYOND THE PRODUCER ENFORCEMENT GROUP

Producer Enforcement Group Review SUMMARY August 27, 2019

Legal Affairs Division
Office of the Insurance Commissioner
State of Washington

Licensee: Health Plan Intermediaries Holdings, LLC

SIMBA No.: 1593742 WAOIC No.: 813017

FEIN: 46-0580972

Referred By: Investigations (H. Churchill)
Staff Attorneys: Daniel Jacobs & Sofia Pasarow

Health Plan Intermediaries Holdings, LLC ("the Licensee" or "HII") is a nonresident insurance producer, domiciled in Delaware, and first licensed in Washington on July 18, 2012. HII is authorized to sell life and disability lines of insurance. As of May 19, 2019, HII was appointed to 16 insurers, held 158 active affiliations and 39 inactive affiliations.

HII, per agreements with certain insurers, provides an on-line platform to facilitate the sale of short-term or limited medical, dental, and critical illness insurance, as well as discount medical plans and other insurance products to Washington consumers.<sup>1</sup>

#### **Facts:**

The Insurance Commissioner's Investigations Unit ("Investigations") opened an investigation of HII as a result of receiving multiple complaints regarding a number of insurance agencies and producers that solicited and sold short-term medical insurance policies to Washington consumers on behalf of HII.

Investigations gathered information from several carriers, HII, and a sample of 219 Washington consumers. Investigations gathered documentation which indicated HII sold 34,351 short-term

<sup>&</sup>lt;sup>1</sup> "Health Insurance Innovations, Inc. (HIIQ) is a market leading cloud-based technology platform and distributor of innovative health insurance products that are affordable and meet the consumer's needs. We assist in the development of insurance products through our relationships with best-in-class insurance companies and we provide access to these products through a broad distribution network of third party licensed insurance agents across the nation, our call center network and our unique online capabilities." See https://www.hiiq.com/about/ (last visited July 30, 2019).

medical, limited medical, and ancillary products to Washington consumers from 12 different entities and 440 insurance producers.

Total Collected	\$24,445,341.38	
Paid to 12 Insurers/Entities	\$18,199,431.42	
Difference	\$6,245,909.96	

# HII sold five (5) unauthorized insurance products to Washington consumers.

- 1. GapAfford: GapAfford Plus ("GapAfford"), administered by AccessOne Consumer Health ("AccessOne"), was bundled by HII with other discount programs and sold as part of association membership in the National Congress of Employees ("NCE"). AccessOne and NCE are not authorized to act as a healthcare discount plan organization ("HDPO") in Washington. The NCE Discount Benefit Program Member Handbook, provided by HII to consumers upon enrollment, states that GapAfford is not available in Washington. Between January 1, 2016 and October 10, 2018, HII sold 3,286 GapAfford plans to Washington consumers and collected \$346,644.48 in premium and \$69,240 in administrative fees.
- 2. ScripPal: ScripPal, administered by Medical Security Card Company, LLC ("MSC"), was also bundled by HII with other discount programs, and sold as part of NCE membership, and other consumer association memberships. ScripPal identifies itself as a prescription savings program. MSC is not authorized to act as a HDPO in Washington. HII developed sales scripts that refer to ScripPal and states "[a]s part of your membership, you will also receive a discount pharmacy and medical savings card." Between January 1, 2016, and December 31, 2017, HII sold ScripPal to 17,225 Washington consumers as part of their association memberships and collected \$1,199,792.50 in premium. HII's calculation of this amount did not include the specific amount collected for ScripPal.
- 3. Ally RX: Ally RX, administered by dataRx, was also bundled by HII with other discount programs, and sold as part of membership in Alliance for Consumers USA, Inc. ("ACUSA"). HII provided documentation to Investigations indicating that Ally RX benefits were previously administered by PRAM Insurance Services, Inc. ("PRAM"). Ally RX identifies itself as a prescription discount program. dataRX, ACUSA, and PRAM are not licensed to act as HDPOs in Washington. HII developed a sales script that states "[y]ou understand that you have also agreed to purchase Ally Rx plan, with Pharmacy Benefits provided by dataRX, for a monthly cost of ...." One of HII's sales scripts state that Ally RX is not available for sale in Washington. Between January 1, 2016 and October 1, 2018, HII sold Ally RX to 547 Washington consumers and collected \$102,213.97 in premiums and \$27,834 in administrative fees.
- 4. Foundation Dental: Foundation Dental is a dental plan product underwritten by Nationwide Casualty Company ("Nationwide") (WAOIC 909), and offered through membership in MedSense Guaranteed Association ("MedSense"). HII developed a sales script that included a disclaimer stating that the product is not available for sale in Washington. In responding to

Investigations, Nationwide reported that Foundation Dental was sold to 23 Washington residents, but no policies were issued to these consumers. HII remitted \$2,471.01 in premium to Nationwide and received \$395.36 in commission. Foundation Dental was not filed or approved in Washington. When Nationwide discovered that Foundation Dental was sold in Washington, Nationwide contacted each of the enrollees, informed them that Foundation Dental would need to be cancelled, and provided a full refund for Foundation Dental.

5. Cigna Dental Network Access: Cigna Dental Network Access ("Cigna Dental") is a discount dental plan, administered by Connecticut General Life Insurance Company ("Cigna") (WAOIC 321). Cigna Dental was not authorized to act as a HDPO in Washington. Between 2016 and 2019, Nationwide reported that HII sold Cigna Dental to 25 Washington consumers and collected \$1,024.80. The welcome letter for the Cigna Dental states the card offers prenegotiated discounts to consumers.

# HII sold insurance products on behalf of 3 insurance carriers without being appointed.

HII was never appointed to Unified Life Insurance Company ("Unified") (WAOIC 227539), Gerber Life Insurance Company ("Gerber") (WAOIC 518), or Cigna. HII sold 104 insurance policies on behalf of these three carriers, collecting \$236,027.18 in premium.

# HII allowed 434 insurance producers to act on HII's behalf without being affiliated.

Between January 1, 2016 and October 1, 2018, HII sold 34,351 insurance policies in Washington. Investigations determined 25,945 (75.5%) of these insurance transactions took place through 434 insurance producers who were not affiliated to HII at the time of the insurance transactions.

#### HII collected premiums in excess of the amount expended.

Investigations reviewed a random sampling of 219 Washington consumer documents obtained from HII and individual insurance carriers. From the data collected, Investigations determined:

- 134 consumer accounts (60%) paid monthly net premiums inconsistent with records provided by the insurance carriers.
- Of the 134 accounts with identified discrepancies:
  - o 98 (44%) were charged more by HII than documented by the carriers
  - o 36 (16%) were charged less by HII than documented by the carriers

#### HII failed to disclose fees and commissions.

Of the 219 consumer documents sampled, 127 (58%) of them were charged fees that were not identified by HII in any documents provided to consumers.

# HII did not register a doing business as ("DBA") name.

In a written response to the OIC, HII stated it conducts business in Washington under the following

doing business as names ("DBA"): Health Insurance Innovations, AgileHealthInsurance, and MyBenefitsKeeper. HII has not registered MyBenefitsKeeper in Washington as a DBA name.

# **Summary of Applicable Law:**

**RCW 48.01.030** states that the business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. Upon the insurer, the insured, their providers, and their representatives rests the duty of preserving inviolate the integrity of insurance.

**RCW 48.15.020(2)(a)** states that a person may not, in this state, represent an unauthorized insurer except as provided in this chapter.

**RCW 48.15.020(3)** states that each violation of subsection (2) of this section constitutes a separate offense punishable by a fine of not more than twenty-five thousand dollars, and the Insurance Commissioner, at the Insurance Commissioner's discretion, may order replacement of policies improperly placed with an unauthorized insurer with policies issued by an authorized insurer. Violations may result in suspension or revocation of a license.

**RCW 48.155.020(1)** states that before conducting discount plan business to which this chapter applies, a person must obtain a license from the Insurance Commissioner to operate as a discount plan organization.

**RCW 48.155.130(1)(b)** states that whenever the Insurance Commissioner has cause to believe that any person is violating or is about to violate any provision of this chapter or any rules adopted under this chapter or any order of the Insurance Commissioner, the Insurance Commissioner may after hearing or with the consent of the discount plan organization and in addition to or in lieu of the suspension, revocation, or refusal to renew any license, impose a monetary penalty of not less than one hundred dollars for each violation and not more than ten thousand dollars for each violation.

**RCW 48.155.130(2)** states that a person that willfully operates as or aids and abets another operating as a discount plan organization in violation of RCW 48.155.020(1) commits insurance fraud and is subject to RCW 48.15.020 and 48.15.023, as if the unlicensed discount plan organization were an unauthorized insurer, and the fees, dues, charges, or other consideration collected from the members by the unlicensed discount plan organization or marketer were insurance premiums.

**RCW 48.17.067(1)** states any insurance producer or title insurance agent soliciting, negotiating, or procuring an application for insurance or health care services in this state must make a good faith effort to determine whether the entity that is issuing the coverage is authorized to transact insurance or health coverage in this state.

**RCW 48.17.160(1)** states an insurance producer or title insurance agent shall not act as an agent of an insurer unless the insurance producer or title insurance agent becomes an appointed agent

of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.

**WAC 284-17-473** states that individual licensees that represent a business entity or act on its behalf must be affiliated with the licensed business entity. A business entity must have at least one affiliated individual licensee in order to transact insurance business. Each business entity must provide the Insurance Commissioner with the names of all individual licensees authorized to represent the business entity and act on its behalf by electronic submission and pay the applicable fees.

**RCW 48.18.170** states that "Premium" as used in this code means all sums charged, received, or deposited as consideration for an insurance contract or the continuance thereof. "Premium" does not include a regulatory surcharge imposed by RCW 48.02.190, except as otherwise provided in this section. Any assessment, or any "membership," "policy," "survey," "inspection," "service" or similar fee or charge made by the insurer in consideration for an insurance contract is deemed part of the premium.

**RCW 48.30.190(2)** states no person shall willfully [sic] collect as premium for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected.

**RCW 48.17.180** states that an insurance producer or title insurance agent doing business under any name other than the insurance producer's or title insurance agent's legal name is required to register the name in accordance with chapter 19.80 RCW and notify the Insurance Commissioner before using the assumed name.

#### RCW 48.17.270(3)-(5)

- (3) If the compensation received by an insurance producer who is dealing directly with the insured includes a fee, for each policy, the insurance producer must disclose in writing to the insured:
  - (a) The full amount of the fee paid by the insured;
  - (b) The full amount of any commission paid to the insurance producer by the insurer, if one is received; ...
  - (d) When the insurance producer may receive additional commission, notice that states the insurance producer:
    - (i) May receive additional commission in the form of future incentive compensation from the insurer, including contingent commissions and other awards and bonuses based on factors that typically include the total sales volume, growth, profitability, and retention of business placed by the insurance producer with the insurer, and incentive compensation is only paid if the performance criteria established in the agency-insurer agreement is met by the insurance producer or the business entity with which the insurance producer is affiliated; and
    - (ii) Will furnish to the insured or prospective insured specific information relating to additional commission upon request; and
  - (e) The full name of the insurer that may pay any commission to the insurance producer.

- (4) Written disclosure of compensation as required by subsection (3) of this section shall be provided by the insurance producer to the insured prior to the sale of the policy.
- (5) Written disclosure as required by subsection (3) of this section must be signed by the insurance producer and the insured, and the writing must be retained by the insurance producer for five years. For the purposes of this section, written disclosure means the insured's written consent obtained prior to the insured's purchase of insurance. In the case of a purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained, consent documented by the insurance producer shall be acceptable.

# WAC 284-17-625 states the following:

RCW 48.17.270(5) provides that when insurance is purchased over the telephone or by electronic means for which written consent under RCW 48.17.270(3) cannot be reasonably obtained, consent documented by the insurance producer is acceptable in lieu of the signed written disclosure required by RCW 48.17.270 (3), (4), and (5).

- (1) Documentation confirming the consent of the applicant or insured after communication of the information required by RCW 48.17.270(3) is acceptable under RCW 48.17.270(5) if:
  - (a) The insurance producer sends to the applicant or insured written confirmation of the disclosure;
  - (b) The written confirmation is sent no later than ten business days after the telephone or electronic purchase; and
  - (c) A copy of the confirmation is retained by the insurance producer.
- (2) In addition, consent documented by a recording that meets the standards of RCW 9.73.030 is acceptable under RCW 48.17.270(5). The recording must be made and maintained in a retrievable format.

**RCW 48.17.530(1)(b)** allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license, or to levy a civil penalty in accordance with RCW 48.17.560 for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner.

**RCW 48.17.530(1)(g)** allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license, or to levy a civil penalty in accordance with RCW 48.17.560 for having admitted or been found to have committed any insurance unfair trade practice or fraud.

**RCW 48.17.530(1)(h)** allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license, or to levy a civil penalty in accordance with RCW 48.17.560 for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

**RCW 48.17.560** provides after hearing or upon stipulation by the licensee, and in addition to or

in lieu of the suspension, revocation, or refusal to renew any such license, the Insurance Commissioner may levy a fine upon the licensee, for each offense, in an amount not more than one thousand dollars.

## **Prior Disciplinary Action Against the Licensee:**

Order No. 15-0136: \$250 fine levied for selling insurance policies in Washington under an unregistered trade name other than their legal name. RCW 48.17.180.

## **Prior Disciplinary Actions Related to this Case**

Consent Order No. 19-0107, Ameritas: \$50,000 fine with \$20,000 suspended for selling combined vision and dental plans despite such plans being specifically disapproved by the Insurance Commissioner two (2) years earlier, and failing to appoint producers, resulting in non-appointed producers generating transactions for the Company.

Several recent insurance producer disciplinary matters by the OIC involved insurance code violations related to HII. For example, the following matters resulted in the surrendering of producer and agency licenses for a period of ten years: Orders 19-0329, 19-0331, 19-0330, 19-0332, 19-0337, and 19-0338. In addition, Consent Order 18-0473 imposed a \$6,000 fine against another insurance producer for insurance code violations involving HII.

## **Penalties Imposed in Similar Cases:**

*Order No. 16-0079, Ameriplan Corporation*: \$400,000 fine for operating as a discount plan organization in Washington State after being denied licensure as a discount plan organization by the Insurance Commissioner. License denied on March 25, 2010, Company sold 3,897 memberships to Washington consumers between January 26, 2010 and July 15, 2015, collecting \$861,965 in membership fees. RCW 48.155.020; RCW 48.155.130(1); RCW 48.15.023.

Consent Order and Cease and Desist Order pending, Agentra, LLC: \$100,000 fine approved by Producer Enforcement Group. Fine for selling through an independent agent, (3) insurance products that were not authorized for sale, selling products using forms that were not approved for use, selling products to Washington consumers that were underwritten by insurers who were not authorized, permitting unaffiliated producers to act on its behalf, charging fees and failing to disclose commissions earned by producers including Agentra, selling insurance products to Washington consumers which were procured through a surplus lines broker from an unauthorized insurer.

*Order No. 17-0323, WAGDCO, LLC*: \$50,000 fine for selling 336 prescription savings club memberships and renewals without being licensed as a discount plan organization. RCW 48.155.020; RCW 48.155.130(1).

Order No. 17-0079, Iyer Health Shield: \$10,000 fine for soliciting insurance business in Washington without a license, representing an unauthorized insurer, acting as a marketer to sell a discount plan while failing to be registered as a discount plan organization, aiding and abetting an unauthorized discount plan organization, not timely responding to an inquiry made by the Insurance

Commissioner. RCW 48.15.020(1); RCW 48.15.020(2)(a); RCW 48.155.030(1); RCW 48.17.475; RCW 48.155.130(2).

Order 19-0326, International Hole in One Association: Amended Notice of Intent to Impose a \$75,000 Fine, and Notice of Intent to Assess Unpaid Premium Tax, Interest, and Penalties for purchasing insurance through a surplus lines broker with a deductible that applied to the purchasing group as a whole; acting as an insurer, transacting, and soliciting insurance without a Certificate of Authority; failing to file its tax statement and to pay its premium tax; conducting insurance business without using its legal name; false, deceptive, or misleading advertisements or representations on its brochure and website; misrepresenting the terms, benefits, and advantages of IHIOA's policy by failing to make clear the producer's commission fee and fee for "free" items; and issuing certificates that were not filed with the OIC and falsely led Washington consumers to believe that they were covered by an insurer. RCW 48.92.090(2); RCW 48.92.090(3); RCW 48.05.030(1); RCW 48.15.020(1); RCW 48.05.190(1); WAC 284-30-670; RCW 48.14.020(1); RCW 48.18.00(1); RCW 48.14.020(1); RCW

Order No. 19-0170, Golden Memorial Insurance Services Inc.: \$20,000 fine levied for soliciting and selling insurance without being licensed in Washington, accepting commissions from the insurer for selling insurance, acting as a licensed producer of the insurer without being appointed, failing to have at least one (1) affiliated individual licensee, and failing to register all names under which it does business. RCW 48.17.060(1); RCW 48.17.490(2); RCW 48.17.160(1); WAC 284-17-473; RCW 48.17.180.

Order No. 19-0133, Custom Contractors Insurance, LLC: \$15,000 fine for selling, soliciting, or negotiating, insurance in Washington without a Washington State producer license, acting as an agent of an insurer without becoming appointed to that insurer, by failing to provide the Insurance Commissioner with the names of all individual licensees authorized to represent the business entity and act on its behalf by electronic submission and pay the applicable fees, by failing to ensure that all affiliated insurance producers were licensed for the proper line of authority for which the insurance producer submits an application for insurance, knowingly accepting insurance business from a person who is required to be licensed and is not so licensed, the Agency violated RCW 48.17.060(1); RCW 48.17.160(1); WAC 284-17-473; WAC 284-17-429(6); RCW 48.17.530(1)(l); justifying the imposition of a fine under RCW 48.17.063(4)(a); RCW 48.17.530(1)(b); RCW 48.17.530(1)(l); RCW 48.17.530(2); and RCW 48.17.560.

Order No. 18-0259, GC Insurance Services and John R. Mc Daniel Jr.: \$2,000 fine levied for charging fees to insured without accurately disclosing the fees in writing. The misconduct only involved a few incidents. RCW 48.17.090(3)(b); RCW 48.17.270(3)(a).

#### **Violations:**

#### 47,381 violations at minimum:

- By selling unauthorized insurance products, including healthcare discount plans and dental plans, to Washington consumers, HII violated RCW 48.155.020, 48.17.067, 48.15.020, and

- RCW 48.17.530(1)(h). **21,106 violations**, justifying fine under RCW 48.155.130(1)(b), RCW 48.15.020(3) and RCW 48.17.560.
- By selling insurance products to Washington consumers underwritten by insurers to which HII was not appointed, HII violated RCW 48.17.160 and RCW 48.17.530(1)(h). **104 violations**, justifying fine under RCW 48.17.560.
- By selling insurance products through insurance producers that were not affiliated to HII at the time of the transaction, HII violated WAC 284-17-473 and RCW 48.17.530(1)(h). **25,945 violations**, justifying fine under RCW 48.17.560.
- By collecting premiums from insureds different from that reported to insurers, HII violated RCW 48.30.190(2), RCW 48.17.530(1)(g), RCW 48.17.530(1)(h). **Minimum 98 violations**, justifying fine under RCW 48.17.560.
- By failing to disclose fees and commissions to insureds for sales in which fees were collected, HII violated RCW 48.17.270, WAC 284-17-625, and RCW 48.17.530(1)(h). **Minimum 127 violations**, justifying fine under RCW 48.17.560.
- By failing to register MyBenefitsKeeper as a DBA in Washington, HII violated RCW 48.17.180. **1 violation**, justifying fine under RCW 48.17.560.

#### **Recommendation:**

\$2,000,000 fine and referral for the following entities:

- National Congress of Employees (GapAfford)
- AccessOne (GapAfford)
- Medical Security Card Plus (ScripPal)
- Nationwide
- Cigna
- PRAM
- Gerber
- dataRX
- Magna Monroe
- ACUSA

#### STATE OF WASHINGTON

MIKE KREIDLER



**OLYMPIA OFFICE:** INSURANCE BUILDING P.O. BOX 40255 OLYMPIA, WA 98504-0255 Phone: (360) 725-7000

# INSURANCE COMMISSIONER

September 25, 2019

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 tfarber@lockelord.com

> Health Plan Intermediaries Holdings, LLC Re:

> > Proposed Consent Order Levying a Fine - OIC Order No. 19-0477

Dear Mr. Farber:

The Office of the Insurance Commissioner has found that Health Plan Intermediaries Holdings, LLC ("HPIH") violated a provision of Washington State law. The violation(s) are detailed in the attachment to this letter. When a violation occurs, the Insurance Commissioner is granted the authority to take action. The action may include levying a fine and ordering an entity to cease and desist from insurance activity in Washington State.

We are offering HPIH an opportunity to settle this matter by signing the attached Consent Order and paying a fine. As part of this settlement, HPIH will admit its violation, pay the imposed fine, and agree to fully comply with all applicable laws of Washington State going forward.

The deadline to accept the settlement offer and pay the fine is October 25, 2019. Please refer to the instructions on the next page. Payment will not be accepted without the signed order. When we receive the signed order and fine payment, the Insurance Commissioner will execute the agreement and provide you with a validated copy of the settlement agreement for your records. If the settlement offer is not accepted by that date, it will be withdrawn.

Upon withdrawal of the settlement offer, the Insurance Commissioner may request a hearing to impose the fine. Alternatively, you may request a hearing yourself. If this matter results in a hearing, the Insurance Commissioner is not bound by this settlement offer and may seek a fine in the full amount warranted for your particular situation.

If you have any questions regarding this matter, Daniel Jacobs can be reached at (360) 725-7264 or by email at DanielJ@oic,wa.gov and Sofia Pasarow can be reached at (360) 725-7181 or SofiaP@oic.wa.gov.

Sincerely,

Daniel Jacobs Insurar Insurance Enforcement Specialist

Legal Affairs Division

Enclosure: Consent Order

Insurance Enforcement Specialist

Legal Affairs Division

Health Plan Intermediaries Holdings, LLC September 25, 2019 Page 2

#### How do I accept this time-limited settlement offer?

By October 25, 2019, you must:

- 1. Sign the attached settlement order. The settlement order is called a <u>Consent Order</u> because you are agreeing or consenting to the terms of the agreement.
- 2. Pay the fine amount indicated in the order by check or money order. Make the check or money order payable to WA Office of Insurance Commissioner.
- 3. Mail the signed order with your payment to:

Office of the Insurance Commissioner
Attn: Fiscal
PO Box 40255
Olympia, WA 98504-0255
Office of the Insurance Commissioner
Attn: Fiscal
5000 Capitol Blvd SE
Tumwater, WA 98501

Payment will <u>not</u> be accepted without the signed order. When we receive your signed order and fine payment, the Insurance Commissioner will execute the agreement and provide you with a validated copy of the settlement agreement for your records. If the settlement offer is not accepted by the date given, it will be withdrawn.

#### How do I request an administrative hearing?

By December 24, 2019, you must fill out and sign the Demand for Hearing form online at the following location:

#### https://www.insurance.wa.gov/how-file-demand-hearing

Your Demand for Hearing can be in a separate document, but the completed Demand for Hearing form must <u>also</u> be filed along with your written demand.

- 1. If you would like to also provide a written request for an administrative hearing, your written request should include:
  - A brief statement of how you are harmed by the commissioner's proposed action.
  - A statement of the outcome you seek.
  - Your contact information: name, mailing address, email address, and phone number.
  - A copy of the commissioner's proposed order you are challenging.

Although not required, it would be helpful if you also included the following information in your written request for a hearing:

- A statement identifying the facts in the <u>Consent Order</u> you disagree with or believe are inaccurate, and why you think so.
- A statement identifying any additional facts or information you want the Insurance Commissioner to consider.
- 2. Mail your written request to:

Office of the Insurance Commissioner ATTN: Hearings Unit PO Box 40255 Olympia, WA 98504-0255

For more information about the hearings process, please visit: <a href="http://www.insurance.wa.gov/about-administrative-hearings">http://www.insurance.wa.gov/about-administrative-hearings</a>

# STATE OF WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

Order No. 19-0477

HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC,

WAOIC No. 813017 FEIN 46-0580972

Licensee.

CONSENT ORDER LEVYING A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.15.020, RCW 48.17.530, RCW 48.17.560, RCW 48.155.130, RCW 48.30.010, and Health Plan Intermediaries Holdings, LLC. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

#### **BASIS:**

- 1. Health Plan Intermediaries Holdings, LLC ("the Licensee" or "HPIH") is a nonresident insurance producer licensed in the state of Washington since July 18, 2012.
- 2. HPIH's website describes itself as a market leading cloud-based technology platform and distributor of health insurance products.
- 3. According to HPIH's website, HPIH assists in the development of insurance products through relationships with insurance companies. HPIH also provides access to insurance products via a network of licensed insurance agents, HPIH's call center network, and HPIH's exclusive online platform.
- 4. The Insurance Commissioner conducted an investigation and gathered information from HPIH, several insurance carriers, numerous insurance producers, and other entities. Some of these entities are not licensed as required in the state of Washington to conduct insurance business.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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State of Washington Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255

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- 5. The Insurance Commissioner also reviewed billing records from a sample of hundreds of Washington consumers that purchased insurance products from HPIH.
- 6. From January 1, 2016, through October 1, 2018, HPIH sold 34,351 short-term medical, limited medical, and ancillary insurance products to Washington consumers.
- 7. HPIH collected \$24,445,341.38 from Washington consumers, remitting \$18,199,431.32 to insurance carriers and other entities as follows:

Total Collected	\$24,445,341.38
Total Remitted	\$18,199,431.42
Difference	\$ 6,245,909.96

- 8. GapAfford Plus ("GapAfford") is a package of various discount programs administered by AccessOne Consumer Health ("AccessOne").
- 9. GapAfford was bundled by HPIH with other discount programs and sold to Washington consumers as part of an association membership in the National Congress of Employees ("NCE").
- 10. AccessOne is not licensed to act as a health care discount plan organization ("DPO") in Washington.
  - 11. NCE is not licensed to act as a DPO in Washington.
- 12. The NCE Discount Benefit Program Member Handbook, provided by HPIH to consumers upon enrollment, states that GapAfford is not available in Washington.
- 13. Between January 1, 2016, and October 10, 2018, HPIH sold 3,286 GapAfford plans to Washington consumers and collected \$346,644.48 in premium and \$69,240 in administrative fees.
- 14. ScripPal, a prescriptions savings program administered by Medical Security Card Company, LLC ("MSC"), was bundled by HPIH with other discount programs, and sold as part of the NCE membership and other consumer association memberships.
  - 15. MSC is not licensed to act as a DPO in Washington.
- 16. HPIH produced a sales script which refers to ScripPal and states "[a]s part of your membership, you will also receive a discount pharmacy and medical savings card."
- 17. HPIH asserts that Washington consumers were not charged for ScripPal, and that ScripPal was provided to Washington consumers at no cost.

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- 18. In 2016 and 2017, HPIH collected \$1,199,792.50 from 17,225 Washington consumers for association membership. Such association membership included participation in ScripPal.
- 19. HPIH has not provided any documentation which segregates the amount of money collected for ScripPal participation from the amount of money collected for the other discount programs provided to Washington consumers.
- 20. Ally RX, is an insurance product administered by dataRx, which offered \$10.00 copays for generic prescriptions and \$30 co-pays for mail order, up to a maximum monthly benefit of \$200 per individual or \$400 per family.
- 21. Ally RX was bundled by HPIH with various discount programs, and sold as part of association membership in Alliance for Consumers USA, Inc. ("ACUSA"), another consumer association.
- 22. HPIH provided documentation to the Insurance Commissioner indicating that Ally RX was previously administered by PRAM Insurance Services, Inc. ("PRAM").
  - 23. dataRX is not licensed to act as a DPO or as an insurer in Washington.
  - 24. ACUSA is not licensed to act as a DPO or as an insurer in Washington.
  - 25. PRAM is not licensed to act as a DPO or as an insurer in Washington.
- 26. HPIH produced a sales script that states "[y]ou understand that you have also agreed to purchase Ally Rx plan, with Pharmacy Benefits provided by dataRX, for a monthly cost of ...".
- 27. HPIH produced a sales script that states Ally RX is not available for sale in Washington.
- 28. Between January 1, 2016 and October 1, 2018, HPIH sold Ally RX to 547 Washington consumers and collected \$102,213.97 in premiums and \$27,834 in administrative fees.
- 29. Foundation Dental is a dental plan product underwritten by Nationwide Casualty Company ("Nationwide"), and offered through membership in MedSense Guaranteed Association ("MedSense").
- 30. HPIH produced a sales script that includes a disclaimer stating that Foundation Dental is not available for sale in Washington.

- 31. In correspondence with the Insurance Commissioner, Nationwide reported that Foundation Dental was sold to 23 Washington residents, but no policies were issued to these consumers. HPIH remitted \$2,471.01 in premium to Nationwide and received \$395.36 in commission.
- 32. Foundation Dental was not filed with, nor approved by, the Insurance Commissioner, as required under Washington insurance law.
- 33. When Nationwide discovered that Foundation Dental was sold in Washington, Nationwide contacted each of the enrollees, informed them of the need for cancellation, and that they would be receiving full refunds.
- 34. HPIH acknowledges that Foundation Dental was illegally sold in Washington, and provided full refunds to the 23 Washington consumers.
- 35. Cigna Dental Network Access ("Cigna Dental Network") is a discount dental plan, marketed and sold by HPIH, through a contract with Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company ("Cigna"), and Cigna Dental Health, Incorporated. Between 2016 and 2019, Cigna reported that HPIH sold Cigna Dental Network to 25 Washington consumers and collected \$1,024.80.
  - 36. Cigna Dental Health, Incorporated is not licensed to act as a DPO in Washington.
- 37. HPIH acted as an agent of three (3) insurance carriers without becoming appointed. HPIH was never appointed to Unified Life Insurance Company ("Unified"), Gerber Life Insurance Company ("Gerber"), or Cigna. HPIH sold 104 insurance policies on behalf of these three (3) carriers and collected \$236,027.18 in premium.
- 38. From the beginning of 2016 through October 1, 2018, more than three-quarters (75.5%) of HPIH's sales to Washington consumers were by 434 insurance producers not properly affiliated with HPIH at the time of sale. Such sales constituted 25,945 insurance transactions.
- 39. Prior to February 2018, HPIH had a single affiliated insurance producer. Between February 2018 and July 2019, HPIH affiliated approximately 200 insurance producers.
- 40. From the data collected from 219 Washington consumers, the Insurance Commissioner determined that 134 consumer accounts (60%) paid monthly net premiums inconsistent with records provided by insurance carriers.

- 41. Of the 134 Washington consumers with identified premium discrepancies, 98 were charged more per HPIH's records than per the insurance carrier's records. Thirty-six (36) Washington consumers were charged less per HPIH's records than per the insurance carrier's records.
- 42. From the data collected from 219 Washington consumers, the Insurance Commissioner determined that 127 (58%) did not contain documentation showing that the fees charged to consumers were disclosed to those consumers, as required by RCW 48.17.270(3)-(5).
- 43. In correspondence with the Insurance Commissioner, HPIH stated that it conducts business in Washington under the following doing business as names ("DBA"): Health Insurance Innovations, AgileHealthInsurance, and MyBenefitsKeeper.
  - 44. HPIH has not registered MyBenefitsKeeper in Washington as a DBA name.
- 45. RCW 48.01.030 states that the business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. Upon the insurer, the insured, their providers, and their representatives rests the duty of preserving inviolate the integrity of insurance.
- 46. RCW 48.15.020(2)(a) states that a person may not, in this state, represent an unauthorized insurer except as provided in this chapter.
- 47. RCW 48.15.020(3) states that each violation of subsection (2) of this section constitutes a separate offense punishable by a fine of not more than twenty-five thousand dollars, and the Insurance Commissioner, at the Insurance Commissioner's discretion, may order replacement of policies improperly placed with an unauthorized insurer with policies issued by an authorized insurer. Violations may result in suspension or revocation of a license.
- 48. RCW 48.155.020(1) states that before conducting discount plan business to which this chapter applies, a person must obtain a license from the Insurance Commissioner to operate as a discount plan organization.
- 49. RCW 48.155.130(1)(b) states that whenever the Insurance Commissioner has cause to believe that any person is violating or is about to violate any provision of this chapter or any rules adopted under this chapter or any order of the Insurance Commissioner, the Insurance Commissioner may after hearing or with the consent of the discount plan organization and in addition to or in lieu of the suspension, revocation, or refusal to renew any license, impose a

monetary penalty of not less than one hundred dollars for each violation and not more than ten thousand dollars for each violation.

- 50. RCW 48.155.130(2) states that a person that willfully operates as or aids and abets another operating as a discount plan organization in violation of RCW 48.155.020(1) commits insurance fraud and is subject to RCW 48.15.020 and 48.15.023, as if the unlicensed discount plan organization were an unauthorized insurer, and the fees, dues, charges, or other consideration collected from the members by the unlicensed discount plan organization or marketer were insurance premiums.
- 51. RCW 48.17.067(1) states any insurance producer soliciting, negotiating, or procuring an application for insurance or health care services in this state must make a good faith effort to determine whether the entity that is issuing the coverage is authorized to transact insurance or health coverage in this state.
- 52. RCW 48.17.160(1) states an insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.
- 53. WAC 284-17-473 states that individual licensees that represent a business entity or act on its behalf must be affiliated with the licensed business entity. A business entity must have at least one affiliated individual licensee in order to transact insurance business. Each business entity must provide the Insurance Commissioner with the names of all individual licensees authorized to represent the business entity and act on its behalf by electronic submission and pay the applicable fees.
- 54. RCW 48.18.170 defines "premium" as used in this code as all sums charged, received, or deposited as consideration for an insurance contract or the continuance thereof. "Premium" does not include a regulatory surcharge imposed by RCW 48.02.190, except as otherwise provided in this section. Any assessment, or any "membership," "policy," "survey," "inspection," "service" or similar fee or charge made by the insurer in consideration for an insurance contract is deemed part of the premium.
- 55. RCW 48.30.190(2) states no person shall wilfully collect as premium for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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- 56. RCW 48.17.180 states that an insurance producer doing business under any name other than the insurance producer's legal name is required to register the name in accordance with chapter 19.80 RCW and notify the Insurance Commissioner before using the assumed name.
- 57. RCW 48.17.270(3)(a)-(b) states [i]f the compensation received by an insurance producer who is dealing directly with the insured includes a fee, for each policy, the insurance producer must disclose in writing to the insured [t]he full amount of the fee paid by the insured and the full amount of any commission paid to the insurance producer by the insurer, if one is received.
- 58. RCW 48.17.270(4) states [w]ritten disclosure of compensation as required by subsection (3) of this section shall be provided by the insurance producer to the insured prior to the sale of the policy.
- 59. RCW 48.17.270(5) states [w]ritten disclosure as required by subsection (3) of this section must be signed by the insurance producer and the insured, and the writing must be retained by the insurance producer for five years. For the purposes of this section, written disclosure means the insured's written consent obtained prior to the insured's purchase of insurance. In the case of a purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained, consent documented by the insurance producer shall be acceptable.
- 60. WAC 284-17-625 states RCW 48.17.270(5) provides that when insurance is purchased over the telephone or by electronic means for which written consent under RCW 48.17.270(3) cannot be reasonably obtained, consent documented by the insurance producer is acceptable in lieu of the signed written disclosure required by RCW 48.17.270 (3), (4), and (5).
- 61. WAC 284-17-625(1) states that documentation confirming the consent of the applicant or insured after communication of the information required by RCW 48.17.270(3) is acceptable under RCW 48.17.270(5) if:
  - (a) The insurance producer sends to the applicant or insured written confirmation of the disclosure;
  - (b) The written confirmation is sent no later than ten business days after the telephone or electronic purchase; and
  - (c) A copy of the confirmation is retained by the insurance producer.
- 62. WAC 284-17-625(2) states that [i]n addition, consent documented by a recording that meets the standards of RCW 9.73.030 is acceptable under RCW 48.17.270(5). The recording must be made and maintained in a retrievable format.

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- 63. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner.
- 64. RCW 48.17.530(1)(g) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for having admitted or been found to have committed any insurance unfair trade practice or fraud.
- 65. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.
- 66. RCW 48.17.560 provides after hearing or upon stipulation by the licensee, and in addition to or in lieu of the suspension, revocation, or refusal to renew any such license, the Insurance Commissioner may levy a fine upon the licensee, for each offense, in an amount not more than one thousand dollars.
- 67. By selling unauthorized discount medical plans to Washington consumers, the Licensee violated RCW 48.155.020(1), RCW 48.17.067, RCW 48.15.020(2)(a), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.155.130(1)(b), RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. By selling an unauthorized insurance product to Washington consumers, the Licensee violated RCW 48.17.067, RCW 48.15.020(2)(a), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. By selling insurance products on behalf of insurance carriers without being appointed, the Licensee violated RCW 48.17.160(1) and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By selling insurance to thousands of Washington consumers through insurance producers not affiliated with the Licensee, the Licensee violated WAC 284-17-473 and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By collecting premiums in excess of the amount remitted to carriers, the Licensee violated RCW 48.30.190(2), RCW

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48.17.530(1)(g), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By failing to properly disclose fees and commissions earned by insurance producers, and failing to retain documents of any such disclosure, the Licensee violated RCW 48.17.270(3), RCW 48.17.270(4), RCW 48.17.270(5), WAC 284-17-625, and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By failing to register a name under which is does business (DBA), the Licensee violated RCW 48.17.180, justifying the imposition of a fine under RCW 48.17.530(1)(b), and RCW 48.17.560.

#### **CONSENT TO ORDER:**

The Insurance Commissioner of the state of Washington and the Licensee agree the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Licensee consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Licensee's payment of a fine, and upon such terms and conditions as are set forth below:

- 1. The Licensee acknowledges its duty to comply fully with the applicable laws of the state of Washington.
- 2. The Licensee consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
- 3. By agreement of the parties, the Insurance Commissioner will impose a fine of Two Million Dollars (\$2,000,000.00) to be paid by **October 25, 2019**.
- 4. The Licensee understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.
- 5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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Cas	e 3:21-cv-01542-S-BK Document	t 18-2	Filed 08/09/21	Page 375 of 761 PageID 777
	EXECUTED this day of _			, 2019.
		HEA	ALTH PLAN INT	ERMEDIARIES HOLDINGS, LLC
	Signature:			
	Printed Name:			
	Printed Corporate Title:			
	AGREED ORDER:			
	Pursuant to the foregoing fac	ctual B	asis and Consent	to Order, the Insurance Commissioner
	of the state of Washington hereby C	orders a	as follows:	•
				amount of Two Million Dollars
	(\$2,000,000.00), receipt of which is			
	, , , , ,			in constitute admissible evidence that
	· ·			
	•			Commissioner involving the Licensee.
			•	g, or conclusion contained herein does
	not, and is not intended to, determin	e any f	factual or legal iss	sue or have any preclusive or collateral
	estoppel effects in any lawsuit by ar	ıy part	y other than the I	nsurance Commissioner.
	ENTERED this day of			, 2019.
	Mile Kriedle			
	MIKE KREIDLER			
	Insurance Commissioner			
	By and through his designees			
	DANIEL JACOBS		SOFIA	PASAROW
	Insurance Enforcement Specialist			ce Enforcement Specialist
	Legal Affairs Division		Legal A	Affairs Division
	CONSENT ORDER LEVYING A FINE		10	State of Washington
	ORDER NO. 19-0477			Office of the Insurance Commissioner PO Box 40255
	LA - 1593742 - 1			Olympia, WA 98504-0255

LA - 1593742 - 1

# STATE OF WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

Order No. 19-0477

HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC,

WAOIC No. 813017 FEIN 46-0580972

Licensee.

CONSENT ORDER LEVYING A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.15.020, RCW 48.17.530, RCW 48.17.560, RCW 48.155.130, RCW 48.30.010, and Health Plan Intermediaries Holdings, LLC. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

#### **BASIS:**

- 1. Health Plan Intermediaries Holdings, LLC ("the Licensee" or "HPIH") is a nonresident insurance producer licensed in the state of Washington since July 18, 2012.
- 2. HPIH's website describes itself as a market leading cloud-based technology platform and distributor of health insurance products.
- 3. According to HPIH's website, HPIH assists in the development of insurance products through relationships with insurance companies. HPIH also provides access to insurance products via a network of licensed insurance agents, HPIH's call center network, and HPIH's exclusive online platform.
- 4. The Insurance Commissioner conducted an investigation and gathered information from HPIH, several insurance carriers, numerous insurance producers, and other entities. Some of

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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these entities are not licensed as required in the state of Washington to conduct the requisite insurance business.

- 5. The Insurance Commissioner also reviewed billing records from a sample of hundreds of Washington consumers that purchased insurance products from HPIH.
- 6. From January 1, 2016, through October 1, 2018, HPIH sold 34,351 short-term medical, limited medical, and ancillary insurance products to Washington consumers.
- 7. HPIH collected \$24,445,341.38 from Washington consumers, remitting \$18,199,431.32 to insurance carriers and other entities as follows:

Total Collected	\$24,445,341.38
Total Remitted	\$18,199,431.42
Difference	\$ 6,245,909.96

- 8. GapAfford Plus ("GapAfford") is a package of various discount programs administered by AccessOne Consumer Health ("AccessOne").
- 9. GapAfford was bundled by HPIH with other discount programs and sold to Washington consumers as part of an association membership in the National Congress of Employees ("NCE").
- 10. AccessOne is <u>an administrator and</u> not licensed to act as a health care discount plan organization ("DPO") in Washington.
  - 11. NCE is an association not licensed to act as a DPO in Washington.
- 12. The NCE Discount Benefit Program Member Handbook, provided by HPIH to consumers upon enrollment, states that GapAfford is not available in Washington and health care service discounts were not available in Washington other than pharmacy discounts.
- 13. Between January 1, 2016, and October 10, 2018, HPIH sold 3,286 GapAfford plans to Washington consumers and collected \$346,644.48 in premium and \$69,240 in administrative fees.
- 14. ScripPal, a prescriptions savings program administered by Medical Security Card Company, LLC ("MSC"), was bundled by HPIH with other discount programs, and sold as part of the NCE membership and other consumer association memberships.
  - 15. MSC is not licensed to act as a DPO in Washington.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

LA - 1593742 - 1 81644213v.1 State of Washington Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 Commented [A1]: Discount plans are not insurance.

Commented [A2]: Discount products are not insurance, so if the Order is referring to discount products we should avoid calling them insurance. See the accompanying letter and the Comfort Dental Gold Plan, LLC Order No. 15-0183 confirming discount plans are not insurance.

**Commented [A3]:** If there are discount products included we should avoid calling them insurance.

**Commented [A4]:** HPIH is still looking to receive this information from OIC to respond.

**Commented [A5]:** See attached letter providing evidence that a PBM provided benefits and therefore would not need to be licensed.

**Commented [A6]:** Stating these entities are not DPO's gives the impression they need to be licensed as DPO's, Consider relevancy of including fact that they are not licensed as DPO's if the OIC's position is that they did not need to be licensed.

**Commented [A7]:** Premium is an insurance term not applicable discount plans.

Commented [A8]: Numbers subject to confirmation by HPIH.

- 16. HPIH produced a sales script which refers to ScripPal and states "[a]s part of your membership, you will also receive a discount pharmacy and medical savings card."
- 17. HPIH asserts that Washington consumers were not charged for ScripPal, and that ScripPal was provided to Washington consumers at no cost.
- In 2016 and 2017, HPIH collected \$1,199,792.50 from 17,225 Washington consumers for association membership. Such association membership included participation in ScripPal.
- 19. HPIH has not provided any documentation which segregates the amount of money collected for ScripPal participation from the amount of money collected for the other discount programs provided to Washington consumers.
- 20.14. Ally RX, is a discount insurance product administered by dataRx, which offered \$10.00 co-pays for generic prescriptions and \$30 co-pays for mail order, up to a maximum monthly benefit of \$200 per individual or \$400 per family.
- 21-15. Ally RX was bundled by HPIH with various discount programs, and sold as part of association membership in Alliance for Consumers USA, Inc. ("ACUSA"), another consumer association.
- 22.16. HPIH provided documentation to the Insurance Commissioner indicating that Ally RX was previously administered by PRAM Insurance Services, Inc. ("PRAM").
  - 23.17. dataRX is not licensed to act as a DPO or as an insurer in Washington.
- 24.18. ACUSA is an association not licensed to act as a DPO or as an insurer in Washington.
  - 25.19. PRAM is not licensed to act as a DPO or as an insurer in Washington.
- 26.20. HPIH produced a sales script <u>not specific to the state of Washington</u> that states "[y]ou understand that you have also agreed to purchase Ally Rx plan, with Pharmacy Benefits provided by dataRX, for a monthly cost of ...".
- 27.21. HPIH produced a sales script that states Ally RX is not available for sale in Washington, and medical benefits were not available in Washington except pharmacy benefits were provided.
- 28.22. Between January 1, 2016 and October 1, 2018, HPIH sold Ally RX to 547 Washington consumers and collected \$102,213.97 in premiums and \$27,834 in administrative fees.

LA - 1593742 - 1 81644213v.1 State of Washington Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 Commented [A9]: Please see the attached documentation showing HPIH is contracted with a licensed PBM, MedImpact Healthcare Systems. Please also see documentation showing no charge was for ScripPal.

 $\begin{tabular}{ll} \textbf{Commented [A10]:} Please see the attached letter and accompanying attachments addressing AllyRx \\ \end{tabular}$ 

29.23. Foundation Dental is a dental plan product underwritten by Nationwide Casualty
Company ("Nationwide"), and offered through membership in MedSense Guaranteed Association
("MedSense").

30.24. HPIH produced a sales script that includes a disclaimer stating that Foundation Dental is not available for sale in Washington.

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31.25. In correspondence with the Insurance Commissioner, Nationwide reported that Foundation Dental was sold to 23 Washington residents, but no policies were issued to these consumers. HPIH remitted \$2,471.01 in premium to Nationwide and received \$395.36 in commission.

32.26. Foundation Dental was not filed with, nor approved by, the Insurance Commissioner, as required under Washington insurance law.

33.27. When HPIH discovered there were an inadvertent de minimus number of sales of Foundation Dental in the state of Washington, it immediately reached out to the carrier Nationwide and reported the sales. Nationwide discovered that Foundation Dental was sold in Washington, Nationwide then contacted each of the enrollees, informed them of the need for cancellation, and that they would be receiving full refunds.

34.28. HPIH acknowledges that Foundation Dental was illegally sold in error in Washington, and provided full refunds to the 23 Washington consumers.

35. Cigna Dental Network Access ("Cigna Dental Network") is a discount dental plan, marketed and sold by HPIH, through a contract with Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company ("Cigna"), and Cigna Dental Health, Incorporated. Between 2016 and 2019, Cigna reported that HPIH sold Cigna Dental Network to 25 Washington consumers and collected \$1,024.80.

36.29. Cigna Dental Health, Incorporated is not licensed to act as a DPO in Washington.

37.30. HPIH acted as an agent of three (3) insurance carriers without becoming appointed. HPIH was never appointed to Unified Life Insurance Company ("Unified"), Gerber Life Insurance Company ("Gerber"), or Cigna, HPIH sold 104 insurance policies on behalf of these three (3) carriers and collected \$236,027.18 in premium.

38.31. From the beginning of 2016 through October 1, 2018, more than three-quarters (75.5%) of HPIH's sales to Washington consumers were by 434 insurance producers not properly affiliated with HPIH at the time of sale. Such sales constituted 25,945 insurance transactions.

39-32. Prior to February 2018, HPIH had a single affiliated insurance producer. Between February 2018 and July 2019, HPIH affiliated approximately 200 insurance producers.

40.33. From the data collected from 219 Washington consumers, the Insurance Commissioner determined that 134 consumer accounts (60%) paid monthly net premiums inconsistent with records provided by insurance carriers.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

LA - 1593742 - 1 81644213v.1 State of Washington Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 Commented [A11]: The contract included Cigna Dental Health and all of its affiliates and subsidiaries, as Cigna Dental Health appears to be just a holding company. Benefits provided by Connecticut General Life Insurance Company in the State of CT.

**Commented [A12]:** The attached letter sets forth the agent of record was appointed.

**Commented [A13]:** HPIH sold no insurance from Gerber in Washington

Commented [A14]: There were only discount plans sold through Cigna. Please see the attached letter regarding the analysis that appointment is only required for insurance products and not for discount plans.

**Commented [A15]:** Discount Dental products from Cigna, for example, would not be insurance policies.

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41.34. Of the 134 Washington consumers with identified premium discrepancies, 98 were charged more per HPIH's records than per the insurance carrier's records. Thirty-six (36) Washington consumers were charged less per HPIH's records than per the insurance carrier's records.

42.35. From the data collected from 219 Washington consumers, the Insurance Commissioner determined that 127 (58%) did not contain documentation showing that the fees charged to consumers were disclosed to those consumers, as required by RCW 48.17.270(3)-(5).

43.36. In correspondence with the Insurance Commissioner, HPIH stated that it conducts business in Washington under the following doing business as names ("DBA"): Health Insurance Innovations, AgileHealthInsurance, and MyBenefitsKeeper.

44.37. HPIH has not registered MyBenefitsKeeper in Washington as a DBA/trade name but inadvertently did not notify the Insurance Commissioner as well.

45.38. RCW 48.01.030 states that the business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. Upon the insurer, the insured, their providers, and their representatives rests the duty of preserving inviolate the integrity of insurance.

46-39. RCW 48.15.020(2)(a) states that a person may not, in this state, represent an unauthorized insurer except as provided in this chapter.

47.40. RCW 48.15.020(3) states that each violation of subsection (2) of this section constitutes a separate offense punishable by a fine of not more than twenty-five thousand dollars, and the Insurance Commissioner, at the Insurance Commissioner's discretion, may order replacement of policies improperly placed with an unauthorized insurer with policies issued by an authorized insurer. Violations may result in suspension or revocation of a license.

RCW 48.155.020(1) states that before conducting discount plan business to which this chapter applies, a person must obtain a license from the Insurance Commissioner to operate as a discount plan organization.

49.41. RCW 48.155.130(1)(b) states that whenever the Insurance Commissioner has cause to believe that any person is violating or is about to violate any provision of this chapter or any rules adopted under this chapter or any order of the Insurance Commissioner, the Insurance Commissioner may after hearing or with the consent of the discount plan organization and in addition to or in lieu of the suspension, revocation, or refusal to renew any license, impose a State of Washington CONSENT ORDER LEVYING A FINE Office of the Insurance Commissioner ORDER NO. 19-0477 PO Box 40255

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Commented [A16]: Are these discount plans and insurance products in this data? Is the OIC position that this applies to discount plans? This is an insurance statute and references insureds

Commented [A17]: HPIH has requested to review this information and is awaiting the data

Commented [A18]: HPIH is not a discount plan or operating as

Commented [A19]: This is a penalty for discount plans. HPIH is not a discount plan or required to be licensed as a discount plan

monetary penalty of not less than one hundred dollars for each violation and not more than ten thousand dollars for each violation.

50: RCW 48.155.130(2) states that a person that willfully operates as or aids and abets another operating as a discount plan organization in violation of RCW 48.155.020(1) commits insurance fraud and is subject to RCW 48.15.020 and 48.15.023, as if the unlicensed discount plan organization were an unauthorized insurer, and the fees, dues, charges, or other consideration collected from the members by the unlicensed discount plan organization or marketer were insurance premiums.

51.42. RCW 48.17.067(1) states any insurance producer soliciting, negotiating, or procuring an application for insurance or health care services in this state must make a good faith effort to determine whether the entity that is issuing the coverage is authorized to transact insurance or health coverage in this state.

52.43. RCW 48.17.160(1) states an insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.

53.44. WAC 284-17-473 states that individual licensees that represent a business entity or act on its behalf must be affiliated with the licensed business entity. A business entity must have at least one affiliated individual licensee in order to transact insurance business. Each business entity must provide the Insurance Commissioner with the names of all individual licensees authorized to represent the business entity and act on its behalf by electronic submission and pay the applicable fees.

54.45. RCW 48.18.170 defines "premium" as used in this code as all sums charged, received, or deposited as consideration for an insurance contract or the continuance thereof. "Premium" does not include a regulatory surcharge imposed by RCW 48.02.190, except as otherwise provided in this section. Any assessment, or any "membership," "policy," "survey," "inspection," "service" or similar fee or charge made by the insurer in consideration for an insurance contract is deemed part of the premium.

55.46. RCW 48.30.190(2) states no person shall wilfully collect as premium for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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**Commented [A21]:** Is this violation for both discount plans and insurance?

Commented [A22]: See attachment where HPIH provides an appointment was made or in the alternative it was a product for which appointment was not necessary.

Commented [A23]: Affiliations are for insurance products. In addition HPIH is a technology platform and independent non-affiliated agents are utilized.

Commented [A24]: HPIH is awaiting the premium data to confirm. In addition, discount plans do not have premium as that is an insurance term as this would not be applicable to discount plans.

56.47. RCW 48.17.180 states that an insurance producer doing business under any name other than the insurance producer's legal name is required to register the name in accordance with chapter 19.80 RCW and notify the Insurance Commissioner before using the assumed name.

57.48. RCW 48.17.270(3)(a)-(b) states [i]f the compensation received by an insurance producer who is dealing directly with the insured includes a fee, for each policy, the insurance producer must disclose in writing to the insured [t]he full amount of the fee paid by the insured and the full amount of any commission paid to the insurance producer by the insurer, if one is received.

58.49. RCW 48.17.270(4) states [w]ritten disclosure of compensation as required by subsection (3) of this section shall be provided by the insurance producer to the insured prior to the sale of the policy.

59.50. RCW 48.17.270(5) states [w]ritten disclosure as required by subsection (3) of this section must be signed by the insurance producer and the insured, and the writing must be retained by the insurance producer for five years. For the purposes of this section, written disclosure means the insured's written consent obtained prior to the insured's purchase of insurance. In the case of a purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained, consent documented by the insurance producer shall be acceptable.

60.51. WAC 284-17-625 states RCW 48.17.270(5) provides that when insurance is purchased over the telephone or by electronic means for which written consent under RCW 48.17.270(3) cannot be reasonably obtained, consent documented by the insurance producer is acceptable in lieu of the signed written disclosure required by RCW 48.17.270 (3), (4), and (5).

61.52. WAC 284-17-625(1) states that documentation confirming the consent of the applicant or insured after communication of the information required by RCW 48.17.270(3) is acceptable under RCW 48.17.270(5) if:

- (a) The insurance producer sends to the applicant or insured written confirmation of the disclosure;
- (b) The written confirmation is sent no later than ten business days after the telephone or electronic purchase; and
- (c) A copy of the confirmation is retained by the insurance producer.
- 62. WAC 284-17-625(2) states that [i]n addition, consent documented by a recording that meets the standards of RCW 9.73.030 is acceptable under RCW 48.17.270(5). The recording must be made and maintained in a retrievable format.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

LA - 1593742 - 1 81644213v.1 State of Washington Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 **Commented [A25]:** Applicable to insurance products as opposed to discount plans.

Commented [A26]: Confirmation from OIC regarding whether these violations are for insurance products or discount plans and please see attached regarding explanation of application of insurance code to discount plans. Also HPIH wishes to shorten the recitals.

- 63. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner.
- 64. RCW 48.17.530(1)(g) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for having admitted or been found to have committed any insurance unfair trade practice or fraud.
- 65. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

66.64. RCW 48.17.560 provides after hearing or upon stipulation by the licensee, and in addition to or in lieu of the suspension, revocation, or refusal to renew any such license, the Insurance Commissioner may levy a fine upon the licensee, for each offense, in an amount not more than one thousand dollars.

67-65. By inadvertently selling a limited number of unauthorized discount medical plans to Washington consumers, the Licensee violated RCW 48.155.020(1), RCW 48.17.067, RCW 48.15.020(2)(a), and RCW 48.17.530(1)(b), ijustifying the imposition of a fine under RCW 48.155.130(1)(b), RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. By selling an unauthorized insurance product to Washington consumers, the Licensee violated RCW 48.17.067, RCW 48.15.020(2)(a), and RCW 48.17.530(1)(b), justifying the imposition of a fine under RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. By selling insurance products on behalf of insurance carriers without being appointed, the Licensee violated RCW 48.17.160(1) and RCW 48.17.530(1)(b), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By selling insurance to thousands of Washington consumers through insurance producers not affiliated with the Licensee, the Licensee violated WAC 284-17-473 and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By collecting premiums in excess of the amount remitted to carriers, the Licensee CONSENT ORDER LEVYING A FINE

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Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

Commented [A27]: HPIH strongly asserts fraud is an inappropriate characterization of the conduct, and any issues were not intentional and do not rise to any willful or certainly fraudulent conduct and would like such assertions out of the consent order.

**Commented [A28]:** HPIH is a technology platform and does not operate or require licensure as a discount medical plan itself.

Commented [A29]: This statute applies for insurance.

**Commented [A30]:** HPIH strongly asserts no fraud or similar actions were undertaken.

Commented [A31]: HPIH is not required to be licensed as a discount plan organization. It's a technology platform and is not required to be licensed by any state as a medical/health care discount plan organization.

**Commented [A32]:** OIC to clarify the insurance products versus discount plans negligently sold as applying insurance statutes.

**Commented [A33]:** Discount plans are not insurance. What insurance products are at issue?

**Commented [A34]:** Confirmation of applicability of discount plans to insurance provisions by OIC. This applies to "selling insurance"

violated RCW 48.30.190(2), RCW 48.17.530(1)(g), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By failing to properly disclose fees and commissions earned by insurance producers, and failing to retain documents of any such disclosure, the Licensee violated RCW 48.17.270(3), RCW 48.17.270(4), RCW 48.17.270(5), WAC 284-17-625, and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By failing to register a name under which is does business (DBA), the Licensee violated RCW 48.17.180, justifying the imposition of a fine under RCW 48.17.530(1)(b), and RCW 48.17.560.

or unfair trade practice violation.

Commented [A36]: These are insurance code provisions and

apply to insurance. Awaiting OIC determination of whether discount plan sales are implicated by this given statute refers to insurance and

insureds and not applicable to discount plans. Also please note that HPIH is a technology platform, and the independent agents would

Commented [A35]: HPIH needs to see the data to respond. In addition, any discrepancy is unintentional (some remittances are below and some are above according to the data in the consent

order) would seek to remove reference to any intentional, fraudulent

#### CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and the Licensee agree the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Licensee consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Licensee's payment of a fine, and upon such terms and conditions as are set forth below:

- 1. The Licensee acknowledges its duty to comply fully with the applicable laws of the state of Washington.
- 2. The Licensee consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
- 3. By agreement of the parties, the Insurance Commissioner will impose a fine of Two Million Dollars (\$2,000,000.00) to be paid by November October 25, 2019.
- 4. The Licensee understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.
- 5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

**Commented [A37]:** To be determined once factual matters and confirmation on whether discount plans are subject to the insurance code.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

LA - 1593742 - 1 81644213v.1

EXECUTED this day of _			_, 2019.	
	HEALTH PLAN I	INTERMEDIARIES HOLDINGS	, LLC	
Signature:				
2.5				
Printed Name:				
Printed Corporate Title:				
AGREED ORDER:				
		sent to Order, the Insurance Comm	issioner	
of the state of Washington hereby O				
		the amount of		
		,000.00), receipt of which is	hereby	Commented [A38]: Fine offer to be provided once legal an actual issues resolved.
acknowledged by the Insurance Cor			414	
<ol><li>This Order and the v may be considered in any future ac</li></ol>		nerein constitute admissible evide		
However, the facts of this Order, an				
not, and is not intended to, determin				
estoppel effects in any lawsuit by ar			materar	
	<i>J</i> 1 <i>J</i>			
ENTERED this day of			, 2019.	
MAKE ADERDY ED				
MIKE KREIDLER Insurance Commissioner				
[Insurance Commissioner's Signa	ture Removed]			
By and through his designees				
	Leg	gal Affairs Division		
DANIEL JACOBS	_	•		
Insurance Enforcement Specialist				
CONSENT ORDER LEVYING A FINE	12	State of Washington		
ORDER NO. 19-0477		Office of the Insurance Comm PO Box 40255	ssioner	
LA - 1593742 - 1 81644213v.1		Olympia, WA 98504-0255		

SOFIA PASAROW Insurance Enforcement Specialist Legal Affairs Division

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

LA - 1593742 - 1 81644213v.1 State of Washington Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255

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### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 389 of 761 PageID 791



111 South Wacker Drive Chicago, IL 60606 Telephone: 312-443-0700 Fax: 312-443-0336 www.lockelord.com

Tim Farber Direct Telephone: 312-443-0532

Direct Fax: 312-896-6552 tfarber@lockelord.com

November 8, 2019

### **VIA EMAIL**

Daniel Jacobs
Sofia Pasarow
Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

Re: Proposed Consent Order No. 19-0477

Dear Mr. Jacobs and Ms. Pasarow:

On behalf of Health Plan Intermediaries Holdings, LLC ("HPIH"), we thank you again for the time and work the Washington Office of Insurance Commissioner ("OIC") has undertaken to produce proposed consent order No. 19-0477 regarding HPIH ("Proposed Order"). Following up on our recent telephone conference with you, please find below the explanations and attachments which accompany the enclosed Proposed Consent Order with track line changes.

#### I. GapAfford

GapAfford is a product provided to HPIH through a contract HPIH has with National Congress of Employees ("NCE")/Exchange Benefits. NCE does not provide the benefits and would not have a discount plan organization ("DPO") license. In speaking with NCE, we have been told that the benefits are provided by DST Pharmacy Solutions Inc., a pharmacy benefits manager ("PBM") that is licensed in the State of Washington as demonstrated by the attached Exhibit 1. Please also see the attached affidavit of NCE stating that the Washington-licensed PBM, DST Pharmacy Solutions Inc., provides the benefits for the GapAfford product. HPIH has discussed this statement with NCE and we understand they will confirm their position with the OIC if you wish to contact NCE directly. NCE does not provide the individual benefits in the package and therefore does not require a PBM license. As DST Pharmacy Solutions Inc. is a PBM in Washington as demonstrated in the attached Exhibit 1, it would not need a license, either.

#### II. NCE

NCE is a valid association which has been in existence since 1996. Attached as Exhibit 2 please find its organizational documents. As stated above, NCE does not provide the individual benefits for GapAfford, and therefore would not need a PBM license. DST Pharmacy Solutions

<sup>1</sup> http://thence.org/

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 390 of 761 PageID 792

Mr. Daniel Jacobs and Ms. Sofia Pasarow November 8, 2019 Page 2

Inc., the entity that provides the benefits as shown by the attached NCE affidavit is registered as a PBM in Washington, as documented in attached Exhibit 1.

## III. ScripPal

There was no charge for ScripPal.

ScripPal was a product for which consumers were not charged, and therefore no DPO license was required. In addition, after terminating their participation in the discount plan, a member can keep ScripPal in perpetuity because it is in no way tied to the discount plan. A member can stop paying and terminate the discount plan and the member still gets ScripPal at no charge.

Exhibit 3 attached hereto includes evidence that ScripPal entailed no charge to consumers:

- Screenshots of a member with ScripPal, which contains the payment breakdown;
- The ScripPal ID card, which states there is no charge for ScripPal; and
- ScripPal is a separate benefit from the discount plan. A separate ID card is issued for ScripPal from the discount plan.

Pursuant to the Washington insurance code, a "discount plan" does not include "a plan that does not charge a membership or other fee to use the plan's discount card..." RCW 48.155.010(4)

ScripPal Benefits Were Provided by a Licensed PBM in the State of Washington

Attached as Exhibit 4 is a contract between MedImpact HealthCare Systems, Inc. and HPIH. MedImpact HealthCare Systems, Inc. is a licensed PBM in Washington and therefore no DPO license is required for MedImpact HealthCare Systems, Inc. to offer the product. Please see Exhibit 4 for the MedImpact HealthCare Systems, Inc. contract with HPIH and Exhibit 5 showing MedImpact HealthCare Systems, Inc. holds a PBM designation as well. Thus, ScripPal was offered by a PBM, MedImpact Healthcare Systems Inc.. A "Discount Plan Organization Does not mean: Pharmacy Benefit Managers." RCW 48.155.010(5)(b).

#### IV. AllyRx

The program manager for AllyRx, Magna Monroe, believes the product was not improperly sold in the State of Washington and, after speaking with Magna Monroe, HPIH understands that they would confirm this position to the OIC if you inquire directly.

#### V. ACUSA

ACUSA is a valid association whose bylaws are attached as <u>Exhibit 6</u>. ACUSA is an association and does not require licensing. After speaking with Magna Monroe HPIH understands that they would confirm with the OIC the AllyRx product was not improperly sold in Washington if the OIC would like to inquire directly.

### VI. Cigna

### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 391 of 761 PageID 793

Mr. Daniel Jacobs and Ms. Sofia Pasarow November 8, 2019 Page 3

Cigna Dental Network Access is a discount dental plan, marketed and sold by HPIH, through a contract with Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, and "Cigna Dental Health, Inc. and its operating subsidiaries and affiliates." (emphasis added). The reference in the contract attached as <a href="Exhibit 7">Exhibit 7</a> to Cigna Dental Health Inc. is not to the actual entity, but refers generally to the company and its subsidiaries and affiliates. The entity Cigna Dental Health, Inc. in Cigna's organizational chart, as filed with the NAIC and numerous state insurance departments, does not list an NAIC number for Cigna Dental Health, Inc. and it would appear to be just a holding company. Hence, the signature line of the contract provides that Cigna Dental Health, Inc. is signing on behalf of its affiliates. Please see <a href="Exhibit 8">Exhibit 8</a> for the excerpt of the Cigna organizational chart as filed in its most recent quarterly statement with the NAIC and numerous state insurance departments.

This is a form contract from Cigna and does not speak to what entity provides the actual benefits (the contract is with every Cigna affiliate generally). The key question is not what entity is contracting (which is every Cigna affiliate). The issue is what entity is providing benefits in the State of Washington. Prior to distributing the product, HPIH had a brochure, see Exhibit 9, where it states Connecticut General Life Insurance Company is providing benefits.

### VII. Appointments

- o HPIH's agent of record JoMarie Paglia-Mulcahey was appointed with Unified Life Insurance Company ("Unified") as shown in <a href="Exhibit 10">Exhibit 10</a>. HPIH offered Unified short term medical coverage for a period of time in 2016 in the State of Washington. Exchange Benefits was responsible for appointments pursuant to its agreement with HPIH and HPIH followed Unified's guidelines for appointment, Unified appointed the agent of record. Unified was responsible for appointing the designated responsible licensed producer. Exchange Benefits was appointed by Unified during this period. Unified only appointed the agent of record and the writing agents and only directed sales through those individuals.
- o HPIH never offered products through Gerber Life Insurance Company ("Gerber") in the State of Washington. Gerber issued master policy to ACUSA which HPIH inadvertently provided to the OIC but it is not relevant for the OIC in this matter. No policies with Gerber were ever sold in the State of Washington. Magna Monroe and AllyRx used Gerber to provide insurance benefits in certain other states, but none were provided in the State of Washington. Magna Monroe and ACUSA provided only AllyRx pharmacy benefits in Washington; no life insurance benefits were provided in Washington for which Gerber Life would have been utilized.

HPIH only provided a discount plan for Cigna in Washington. As discount plans are not insurance and appointments are required for sales of insurance, no appointment was necessary.

## VIII. Applicability of Insurance Code Provisions to Discount Plans

As mentioned on our call, we request confirmation from the OIC that the general insurance code provisions would not be applicable to discount medical plans and that only the health care discount plan act and those sections specifically referenced therein apply, not general provisions such as appointments specifically applicable to insurers and sales of insurance products. To this point please refer to, for example, the final order in Comfort Dental Gold Plan, LLC (Order No. 15-0183 dated February 1, 2018). Under the conclusions of law, the order confirms as follows:

### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 392 of 761 PageID 794

Mr. Daniel Jacobs and Ms. Sofia Pasarow November 8, 2019 Page 4

RCW Ch. 48.155 is known as the Washington health care discount plan organization act ("Act"). RCW 48.155.001.

RCW 48.155.003 states that the purpose of the Act is "to promote the public interest by establishing standards for discount plan organizations, to protect consumers from unfair or deceptive marketing, sales, or enrollment practices, and to facilitate consumer understanding of the role and function of discount plan organizations in providing discounts on charges for health care services."

A look at the legislative history of Substitute Senate Bill ("SSB") 5480, effective July 26, 2009, which created RCW Ch. 48.155, states that the driving force behind that legislation was consumer protection. The Final Bill Report for SSB 5480 states in part:

'The discount plans are not insurance products, but many consumers have been confused by the product marketing, as evidenced by increasing consumer complaints to the Office of Insurance Commissioner (OIC). The discount health plans are currently unregulated and have no disclosure or marketing standards to ensure consumer protection.' (emphasis in original)

Additionally, the Senate Bill Report for SSB 5480, and in particular the staff summary of public testimony therein, provides more detail on the number of complaints received by OIC up to that point, and explains that the language of the Bill has its origin in a National Association of Insurance Commissioners ("NAIC") model law, and states:

This bill has been in the works for several years and stems from a constituent complaint we received and asked the OIC to follow up on. The OIC could not intervene or respond to the misleading marketing in any way. No one regulates or oversees these products today. The OIC has received over 400 complaints about these products and believes this to be the tip of the iceberg. The bill is based on a model from the NAIC that 33 states have in place to ensure consumer protection. The underwriters that market true products are professionals that have completed training and licensing and remain accountable for the products they sell. The companies marketing these discounts are not following the same standards and consumers are being misled. Reputable discount plans have been offered for 20 years and many states have put good standards in place to ensure consumer protections. There are fraudulent actors selling these products now and those of us with legitimate products support licensing and regulatory standards that will help clean up the business and chase out the bad actors.'

(Emphasis in original).2

The language above confirms that discount plans are not insurance and are not subject to the provisions of the insurance code. The OIC confirmed that it was not able to regulate these discount products as they were not insurance, thus necessitating the adoption of a separate

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<sup>&</sup>lt;sup>2</sup> The NAIC model law referred to in this legislative history is the Discount Medical Plan Organization Model Act (MDL-98), which the NAIC adopted in 2006.

### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 393 of 761 PageID 795

Mr. Daniel Jacobs and Ms. Sofia Pasarow November 8, 2019 Page 5

chapter of the code regulating these discount plans specifically. The separate chapter did not subject discount products to the insurance code generally. This is consistent with the Washington Health Care Discount Plan Organization Act in prohibiting using terms referred to as insurance in the marketing, such as "premium." As provided in the Health Care Discount Plan Organization Act:

- (2) A discount plan organization shall not:
- (a) Except as otherwise provided in this chapter or as a disclaimer of any relationship between discount plan benefits and insurance, or as a description of an insurance product connected with a discount plan, use in its advertisements, marketing efforts, promotions, marketing materials, discount plan documents, brochures, and discount plan cards the term "insurance";
- (b) Describe or characterize the discount plan as being insurance whenever a discount plan is bundled with an insured product and the insurance benefits are incidental to the discount plan benefits;
- (c) Use in its advertisements, marketing efforts, promotions, marketing materials, discount plan documents, brochures, and discount plan cards words or phrases that are commonly associated with the business of insurance, such as the terms "health plan," "coverage," "copay," "copayments," "deductible," "preexisting conditions," "guaranteed issue," "premium," "PPO," "preferred provider organization," or similar terms, in a manner that could reasonably mislead an individual into believing that the discount plan is health insurance;
- (d) Use language in its advertisements, marketing efforts, promotions, marketing material, discount plan documents, brochures, and discount plan cards with respect to being licensed by the insurance commissioner's office in a manner that could reasonably mislead an individual into believing that the discount plan is insurance or has been endorsed by the insurance commissioner's office;
- (e) Make misleading, deceptive, or fraudulent representations regarding the discount or range of discounts offered by the discount plan or the access to any range of discounts offered by the discount plan;
- (f) Have restrictions on access to discount plan providers including, except for hospital services, waiting periods and notification periods; or
- (g) Pay health care providers any fees for health care services or collect or accept money from a member to pay a health care provider for health care services provided under the discount plan, unless the discount plan organization has an active certificate of authority or registration in Washington.
- (3)(a) Each discount plan organization shall make the following general disclosures in not less than twelve-point type on the first content page of any advertisements, marketing materials, or brochures made available to the public relating to a discount plan, along with any enrollment forms given to a prospective member:

Mr. Daniel Jacobs and Ms. Sofia Pasarow November 8, 2019 Page 6

## (i) That the plan is a discount plan and is not insurance coverage;<sup>3</sup>

The NAIC adopted the NAIC Discount Plan Organization Model Act upon which Washington's discount plan law is based, creating a separate section of the Washington insurance code to deal with these discount products which are not insurance products and are not otherwise regulated by the insurance code.<sup>4</sup> Significant discussion was undertaken at the NAIC creating a special chapter for these products.<sup>5</sup> There was no regulation of these discount products in the State of Washington prior to the enactment of the Health Care Discount Plan Organization Act, and the Act did not apply the entire insurance code to discount plans. Only the specified chapter which was added and those statutes specifically referenced therein in the chapter would apply. Applying the various sections of the insurance code which are applicable to insurance, which discount plans are not and have never been, is contrary to the Act, its legislative history in Washington, and the above Washington order, as well as the NAIC Discount Plan Organization Model Act. We respectfully request confirmation of the OIC's position that insurance provisions do not apply to discount plans.

In addition, we await the data referenced above regarding premiums so that HPIH can verify that data. HPIH would agree to maintain that information confidentially and, given that it is data HPIH has received and disbursed to insurers HPIH, asserts it has a right to see such data. HPIH believes this data is being misinterpreted and would like a chance to explain all the data.

Thank you again for the opportunity to comment on the Proposed Order. We look forward to continuing the discussions regarding this matter. If you have any questions or require any additional information, please do not hesitate to contact me by phone at 312-443-0532 or by email at tfarber@lockelord.com.

Very truly yours,

LOCKE LORD LLP

Tim Faster

Tim Farber

Enclosure

cc: Alan Levin, Locke Lord LLP

Rob McKenna, Orrick, Herrington & Sutcliffe LLP

<sup>&</sup>lt;sup>3</sup> WA Ins. Code 48.155.090 (emphasis added).

<sup>&</sup>lt;sup>4</sup> <a href="https://www.naic.org/prod\_serv/PRC-ZS-06-03">https://www.naic.org/prod\_serv/PRC-ZS-06-03</a> combined.pdf (see the Project History Report-Discount Medical Plan Organization Act for the Joint Executive Committee/Plenary meeting for the NAIC Proceedings-2006 Third Quarter available at the referenced link.

<sup>5</sup> Id.



## Recusal Memorandum

To: Legal Affairs

From: Commissioner Kreidler

Date: December 16, 2019

Subject:

In the Matter of Health Plan Intermediaries Holdings, LLC

dba Health Insurance Innovations

SIMBA Number: 1593742

I, Mike Kreidler, Insurance Commissioner of the State of Washington, do hereby recuse myself from participation in any administrative hearing regarding the above matter. I will not confer in any manner with Presiding Officer Julia Eisentrout at any stage in the administrative proceeding, regarding any final decision or summary judgment decision, or otherwise. I, along with all other OIC employees involved in the investigation, charging, and/or prosecution in this matter, will be screened from Presiding Officer Eisentrout and Hearings Unit paralegal Rebekah Carter.

As is always the case, the Presiding Officer and the Hearings Unit paralegal will maintain a separate record that cannot be accessed by the originating division, the Legal Affairs division and other screened employees. All steps shall be taken to ensure that I, and all other screened persons at the OIC, will not have access to the OIC Hearings Unit file and/or the Presiding Officer's file, notes, or any confidential communications within the Hearings Unit regarding this matter.

Under the authority granted to the Insurance Commissioner in RCW 48.02.100, I do hereby delegate to Julia Eisentrout complete authority to serve as Presiding Officer for any potential administrative proceeding related to the above matter, brought to my office pursuant to RCW chapter 48.04, 34.05, and/or other applicable statutes. Julia Eisentrout has sole responsibility for the conduct of this hearing, the procedural matters related thereto, and for the preservation of hearing records. Without any consultation with myself, Julia Eisentrout will render a final order or other appropriate order concluding proceedings in this matter.

Signed this //o day of

Mike Kreidler, Insurance Commissioner

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

#### STATE OF WASHINGTON



OLYMPIA OFFICE: INSURANCE BUILDING P.O. BOX 40255 OLYMPIA, WA 98504-0255 Phone: (360) 725-7000

# OFFICE OF INSURANCE COMMISSIONER

January 2, 2020

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606

Re:

Health Plan Intermediaries Holdings, LLC

Consent Order Levying a Fine - OIC Order No. 19-0477

Dear Mr. Farber:

Enclosed is a validated copy of the Consent Order in the above referenced matter for your records. We acknowledge receipt of the payment of \$1,500,000 for the fine referenced therein.

Please contact me at 360-725-7172 if you have any further questions or concerns. Thank you.

Sincerely,

Josh Pace

Legal Assistant

Legal Affairs Division

cc:

Sofia Pasarow & Daniel Jacobs Insurance Enforcement Specialists

Legal Affairs Division

Enclosure

 From:
 Farber, Tim

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Pasarow, Sofia (OIC)

**Subject:** RE: Health Plan Intermediaries Holdings, LLC Case #1593742

**Date:** Monday, August 26, 2019 1:34:13 PM

Attachments: <u>image001.png</u>

Washington OIC Memorandum August 2019.PDF

#### Daniel.

Thanks again for speaking with me regarding the above referenced matter. Attached please find a memorandum we would like to be included in the presentation to the Producer Enforcement Group.

Thank you for all your assistance and we look forward to continuing to work with the Insurance Commissioner's office through this process.

### Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC)

**Sent:** Tuesday, August 13, 2019 6:19 PM

To: Farber, Tim

Cc: Pasarow, Sofia (OIC)

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Tim,

Thanks so much for reaching out to me earlier today. At this stage, and based on internal timelines, we are going to proceed with presenting this case to the Producer Enforcement Group meeting on Tuesday, August 27, 2019. Please feel free to submit any additional materials via email to myself or Ms. Pasarow by noon, Pacific Standard Time on Tuesday, August 27, 2019, and they will be included in the presentation to the Producer Enforcement Group.

The Insurance Commissioner's office will continue to review any additional materials submitted during settlement negotiations.

Hopefully this is helpful,

Feel free to follow up with any questions,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264



danielj@oic.wa.gov

### **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, August 13, 2019 1:36 PM

**To:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Subject: Health Plan Intermediaries Holdings, LLC Case #1593742

Daniel

Thank you for speaking with me regarding the above referenced matter. My contact information is below, and feel free to call or email me at any time. Thanks.

Best Regards,

Tim

Tim Farber
Locke Lord LLP
111 South Wacker Drive
Chicago, IL 60606
(312) 443-0532 Direct
tfarber@lockelord.com

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

For more information visit  $\underline{www.lockelord.com}$ 

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To: Sofia Pasarow, Insurance Enforcement Specialist, Legal Affairs Division
SofiaP@oic.wa.gov

Daniel Jacobs, Insurance Enforcement Specialist, Legal Affairs Division
DanielJ@oic.wa.gov

From: Locke Lord LLP, on Behalf of Health Plan Intermediaries Holdings LLC ("HPIH")

Subject: Initial Comments To Washington Office of Insurance Commissioner Report on
HPIH

# Washington Office of Insurance Commissioner Report on Health Plan Intermediaries Holdings LLC

On behalf of Health Plan Intermediaries Holdings LLC ("HPIH"), we appreciate the time and work the Washington Office of Insurance Commissioner ("OIC") has undertaken to produce the Investigative Report dated July 8, 2019 regarding HPIH ("Report"). HPIH has fully cooperated in providing responses and documents in response to OIC requests which began over nine months ago. HPIH appreciates this opportunity to provide its initial comments to the Report and is pleased that they will be duly considered by the Producer Enforcement Group ("PEG") in its August 27, 2019 meeting. We also would like to have a meeting with the OIC once you have had a chance to review this Memorandum to clarify and better understand HPIH's position and role in the sales process. Below please find HPIH's initial comments to the Report which we seek to highlight areas we would like the OIC to consider in its review of this matter.

### I. Allegation # 1-Unauthorized Discount Medical Plans

a) GapAfford Plus: All literature and corresponding website disclosures properly stated "not available in Washington" for this product. No health care service or medical discounts were made available or provided to Washington consumers at any time. Because the product did not include health care services, a necessary requirement under the Washington Insurance Code to be considered a Health Care Discount Plan, there was no offering of an unauthorized discount medical plan in Washington.

The discount medical and health care service benefits for this product were never included in the state of Washington. This product contained no health care or medical benefits, and merely included items such as pharmacy discounts, discounts on vitamins and nurse help lines, to name a few of the benefits, all of which are not health care or insurance benefits.<sup>1</sup>

The Washington Insurance Code Provides:

"Discount plan" means a business arrangement or contract in which a person or organization, in exchange for fees, dues, charges, or other consideration, provides or purports to provide discounts to its members on charges by **providers for health care services.** RCW 48.155.010(4)(a). (emphasis added)

5)(a) "Discount plan organization" means a person that, in exchange for fees, dues, charges, or other consideration, provides or purports to provide access to discounts to its members on charges by **providers for health care services**. "Discount plan organization" also means a person or organization that contracts with providers, provider networks, or other discount plan organizations to offer discounts on **health care services** to its members. RCW 48.155.010(5)(a). (emphasis added)

"Health care services" has the same meaning as in RCW 48.43.005(24). RCW 48.155.010(9). "Health care service" means that service offered or provided by health care facilities and health care providers relating to the prevention, cure, or treatment of illness, injury, or disease. RCW 48.43.005(24).<sup>2</sup> (emphasis added)

"Health care facility" or "facility" means hospices licensed under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW, rural health care facilities as defined in RCW 70.175.020, psychiatric hospitals licensed under chapter 71.12 RCW, nursing homes licensed under chapter 18.51 RCW, community mental health centers licensed under chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed under chapter 70.41 RCW, ambulatory diagnostic, treatment, or surgical facilities licensed under chapter 70.41 RCW, drug and alcohol treatment facilities licensed under chapter 70.96A RCW, and home health agencies licensed under chapter 70.127 RCW, and includes such facilities if owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations. RCW 48.43.005(22).

"Health care provider" or "provider" means:

<sup>&</sup>lt;sup>1</sup> Discounts for this product included pharmacy, Pet Rx, alternative medicine, physical therapy & rehabilitation, hearing savings program, imagining savings program, laboratory savings program, medical bill negotiations, medical supplies & equipment, Hearing Savings Program, chiropractic savings program, vitamins & supplements, 24/7 Health Information Line and 24/7 Nurse Help Line.

<sup>&</sup>lt;sup>2</sup> Discount plan licensure is required only for those plans providing discounts by providers for "health care services" as defined by the Washington Insurance Code cited above. This specific definition requiring licensure does not include all discount plans, only those providing "health care services."

- (a) A person regulated under Title 18 or chapter 70.127 RCW, [in home services agencies] to practice health or health-related services or otherwise practicing health care services in this state consistent with state law; or
- (b) An employee or agent of a person described in (a) of this subsection, acting in the course and scope of his or her employment. RCW 48.43.005(23)

Health care discount plan licensure is required only for those plans providing discounts by providers for "health care services" as defined by the Washington Insurance Code cited above. This specific definition requiring licensure does not include anything that offers a discount, only those discount plans providing "health care services" which is specifically defined as a "service offered or provided by health care facilities and health care providers relating to the prevention, cure, or treatment of illness, injury, or disease. RCW 48.43.005(24). The benefits offered provided for only non-health care service benefits, which include discounts on items such as pharmacy, vitamins and a nurse help line more fully outlined above. This specially designed product for Washington had all health care and medical benefits removed. Note that pharmacy discount benefits are not "health care services" as defined above. In fact, the NAIC Model Discount Medical Plan Organization Model Act (NAIC Model Law Number 98) contains optional provisions for states that wish to regulate pharmacy discount benefits in provisions regulating "discount prescription drug plan organizations." Tellingly, Washington did not adopt these provisions for "discount prescription drug plan organizations."

- b) The Offering of ScripPal was not the offering of an unauthorized Health Care Discount Plan Due to any of the following:
- (i) ScripPal was offered by MedImpact Healthcare Systems, Inc., a Pharmacy Benefit Manager. A "Discount Plan Organization Does not mean: (i) Pharmacy Benefit Managers." RCW 48.155.010(5)(b).

ScripPal, ScriptSave and Medical Security Card Company are a part of the MedImpact family of companies, which is licensed as a PBM in Washington. MedImpact Healthcare Systems Inc. License Number is as follows: WAOIC: 501174. Pharmacy benefit managers are specifically excluded from the requirement of being licensed as a discount plan organization.

The contract to offer the product was with MedImpact Healthcare Systems. MedImpact Healthcare Systems is authorized to provide such products as a PBM and a requirement to obtain such a license does not include PBM's. See, e.g., RCW 48.155.010(5)(b) providing that a discount plan organization does not mean pharmacy benefit managers.

(ii) ScripPal was included at <u>no cost</u> to the consumer. Under the Washington insurance code, a "discount plan" does not include "a plan that does <u>not</u> charge a membership or other fee to use the plan's discount card..." RCW 48.155.010(4)

ScripPal is included at no cost to the consumer. There is no billing related to this product. Under the Washington insurance code, a "discount plan" does not include "a plan that does not

<sup>&</sup>lt;sup>3</sup> "A state should adopt subsection H [discount prescription drug plan organization] only if the state decides to include discount prescription) drug plan organizations within the scope of this Act as provided in Section 16 of this Act." NAIC Model 98 s 3. The NAIC lists Washington as having adopted this NAIC Model Law in its state disposition chart (NAIC Model 98 SD) citing Wash. Rev. Code §§ 48.1 to 48.21 (2009), Washington has not adopted the optional provisions regarding discount prescription drug plan organization licensing requirements and definitions.

charge a membership or other fee to use the plan's discount card..." RCW 48.155.010(4). See also RCW 48.155.010(5)(a) "Discount plan organization" means "a person that, in exchange for fees, dues, charges, or other consideration, provides or purports to provide access to discounts to its members on charges by providers for health care services." (Emphasis added). There were no fees, dues, charges or other consideration for SripPal, thus it cannot meet the definition of a discount plan and the party offering it cannot meet the definition of a "discount plan organization."

# (iii) ScripPal did not include Health Care Services, a necessary requirement under the Washington Insurance Code to be considered a Health Care Discount Plan.

As noted above, "Discount plan" means a business arrangement or contract in which a person or organization, in exchange for fees, dues, charges, or other consideration, provides or purports to provide discounts to its members on charges by providers for **health care services**. RCW 48.155.010(4)(a). (emphasis added).

"Health care services" has the same meaning as in RCW 48.43.005(24). RCW 48.155.010(9). "Health care service" means that service offered or provided by health care facilities and health care providers relating to the prevention, cure, or treatment of illness, injury, or disease. RCW 48.43.005(24).4 (emphasis added)

"Health care facility" or "facility" means hospices licensed under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW, rural health care facilities as defined in RCW 70.175.020, psychiatric hospitals licensed under chapter 71.12 RCW, nursing homes licensed under chapter 18.51 RCW, community mental health centers licensed under chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed under chapter 70.41 RCW, ambulatory diagnostic, treatment, or surgical facilities licensed under chapter 70.41 RCW, drug and alcohol treatment facilities licensed under chapter 70.96A RCW, and home health agencies licensed under chapter 70.127 RCW, and includes such facilities if owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations. RCW 48.43.005(22).

As defined above, "health care services" does not include pharmacy benefits which are the only type of benefits that the ScripPal product contains.

The offering of ScripPal was not the offering of an unauthorized health care discount plan for any of the three reasons set forth above, namely:

- i. ScripPal was offered by MedImpact Healthcare Systems Inc., a Pharmacy Benefit Manager. A "Discount Plan Organization Does not mean: (i) Pharmacy Benefit Managers." RCW 48.155.010(5)(b).
- ii. ScripPal was included at no cost to the consumer. Under the Washington insurance code, a "discount plan" does not include "a plan that does not charge a membership or other fee to use the plan's discount card..." RCW 48.155.010(4)

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<sup>&</sup>lt;sup>4</sup> Discount plan licensure is required only for those plans providing discounts by providers for "health care services" as defined by the Washington Insurance Code cited above. This specific definition requiring licensure does not include all discount plans, only those providing "health care services."

iii. ScripPal did not include Health Care Services, a Necessary Requirement Under the Washington Insurance Code To Be considered a Health Care Discount Plan

### c) AllyRx

Because this product did not contain health care services, a necessary requirement under the Washington Insurance Code to be considered a Health Care Discount Plan, there was no offering of an unauthorized discount plan in Washington.

This product offered in Washington contained prescription discount benefits provided by DataRx as well as Alliance for Consumers USA ("ACUSA") non-insurance association membership benefits. Nothing in the product contained "health care services" as noted above that would make the product a health care discount plan.

d) National Casualty Company (an affiliate of Nationwide Life Insurance Company ("Nationwide") / Med-Sense Guaranteed Association ("MSGA") Membership / Foundation Dental

Nothing in the product contained "health care services" as noted above that would make the product a health care discount plan. Moreover, National Casualty Company is authorized to write disability insurance in Washington. "Discount plan" does not include...(iv) A discount plan offered by a health carrier authorized under chapter 48.20, 48.21, 48.44, or 48.46 RCW. RCW 48.155.010(4)(b)(iv) and therefore no separate discount plan organization license was required by National Casualty Company.

This product included dental discount benefits as well as MSGA non-insurance benefits. Nothing in the product contained "health care services" as noted above that would make the product a health care discount plan. Moreover, National Casualty Company is authorized to write disability insurance in Washington. As noted below, "discount plan" does not include...(iv) A discount plan offered by a health carrier authorized under chapter 48.20, 48.21, 48.44, or 48.46 RCW. RCW 48.155.010(4)(b)(iv). "Discount plan organization" does not mean...(iv) Health carriers, if the discount on health care services is offered by a health carrier authorized under chapter 48.20, 48.21, 48.44, or 48.46 RCW. RCW 48.155.010(5)(b)(iv). A separate discount plan organization license is not required for authorized disability carriers.<sup>5</sup> Please see Exhibit A from the Washington OIC website showing National Casualty Company holds disability authority in the state of Washington.

HPIH was aware that for a period of less than 30 days in March of 2016, a de minimis number of sales, 29, were made by AgileHealthInsurance for Nationwide or its affiliates for Foundation Dental. This product had a dental insurance component as well as non-insurance MSGA benefits. The product was not supposed to be sold in the State of Washington and when the error was discovered all of the 29 sales were promptly voided and all of the consumers were fully refunded.

e) Connecticut General/CIGNA Dental Access Network was not the sale of an unauthorized discount plan for any of the following two reasons:

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<sup>&</sup>lt;sup>5</sup> This is also consistent with the Discount Medical Plan Organization Model Act (NAIC Model Law Number 98) which as noted above the NAIC notes that Washington has substantially adopted.

i) Connecticut General Life Insurance Company ("Connecticut General") and its subsidiary Cigna Health and Life Insurance Company, are authorized health carriers in Washington, and a "discount plan does not include a discount plan offered by a health carrier authorized under chapter 48.20, 48.21, 48.44, or 48.46 RCW."

No fewer than three separate places in the Health Care Discount Plan Organization Act authorized health carriers are specifically excluded and/or exempt from obtaining a health care discount plan license.

The first instance where a health carrier is excluded from the Health Care Discount Plan Organization Act is as follows:

"Discount plan" <u>does not</u> include...(iv) A discount plan offered by a health carrier authorized under chapter 48.20, 48.21, 48.44, or 48.46 RCW. RCW 48.155.010(4)(b)(iv).

The second instance where a health carrier is excluded from the Health Care Discount Plan Organization Act is as follows:

A "Discount plan organization" <u>does not mean</u>...(iv) Health carriers, if the discount on health care services is offered by a health carrier authorized under chapter 48.20, 48.21, 48.44, or 48.46 RCW. RCW 48.155.010(5)(b)(iv).

The first instance where a health carrier is excluded from the Health Care Discount Plan Organization Act is as follows:

### Applicability

- (1) This chapter applies to all discount plans and all discount plan organizations doing business in or from this state or that affect subjects located wholly or in part or to be performed within this state, and all persons having to do with this business.
- (2) A discount plan organization that is a **health carrier**, as defined under RCW 48.43.005, with a license, certificate of authority, or registration:
- (a) <u>Is not required to obtain a license under RCW 48.155.020</u>, except that any of its affiliates that operate as a discount plan organization in this state must obtain a license under RCW 48.155.020 and comply with all other provisions of this chapter;
- (b) Is required to comply with RCW 48.155.060 through 48.155.090 and report, in the form and manner as the commissioner may require, any of the information described in RCW 48.155.110(2)(b), (c), or (d) that is not otherwise already reported; and
- (c) Is subject to RCW 48.155.130 and 48.155.140. RCW 48.155.015

Therefore, a discount plan organization that is a health carrier, as defined under RCW 48.43.005, with a license, certificate of authority, or registration is not required to obtain a license under RCW 48.155.020. RCW 48.155.015(2)(a).

"Health carrier" or "carrier" means a disability insurer regulated under chapter 48.20 or 48.21 RCW, a health care service contractor as defined in RCW 48.44.010, or a health maintenance organization as defined in RCW 48.46.020, and includes "issuers" as that term is used in the patient protection and affordable care act (P.L. 111-148). RCW 48.43.005(25).

Connecticut General and its subsidiary, Cigna Health and Life Insurance Company, as authorized "health carriers" with life and disability authority in the State of Washington are permitted to offer pre-negotiated discounts to consumers pursuant to the Washington Insurance Code and would not be required to obtain a separate license to do so under RCW 48.155.020. Please see the attached printouts from the OIC website attached as Exhibit B which demonstrate that Connecticut General and Cigna Life and Health Insurance Company meet the licensure requirements as a health carrier in Washington.

# (ii) Cigna Dental Access Network offered by Connecticut General did not include Health Care Services, a necessary requirement under the Washington Insurance Code to be considered a Health Care Discount Plan

As noted above, "Discount plan" means a business arrangement or contract in which a person or organization, in exchange for fees, dues, charges, or other consideration, provides or purports to provide discounts to its members on charges by providers for **health care services**. RCW 48.155.010(4)(a). (emphasis added).

"Health care services" has the same meaning as in RCW 48.43.005(24). RCW 48.155.010(9). "Health care service" means that service offered or provided by health care facilities and health care providers relating to the prevention, cure, or treatment of illness, injury, or disease. RCW 48.43.005(24).<sup>6</sup> (emphasis added)

"Health care facility" or "facility" means hospices licensed under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW, rural health care facilities as defined in RCW 70.175.020, psychiatric hospitals licensed under chapter 71.12 RCW, nursing homes licensed under chapter 18.51 RCW, community mental health centers licensed under chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed under chapter 70.41 RCW, ambulatory diagnostic, treatment, or surgical facilities licensed under chapter 70.41 RCW, drug and alcohol treatment facilities licensed under chapter 70.96A RCW, and home health agencies licensed under chapter 70.127 RCW, and includes such facilities if owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations. RCW 48.43.005(22).

As defined above, health care services does not include dental discounts which are the only type of benefits that Cigna Dental Access Network provided by Connecticut General include. Therefore, the product is not a health care discount plan.

#### II. Allegation #2-Appointments

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<sup>&</sup>lt;sup>6</sup> Discount plan licensure is required only for those plans providing discounts by providers for "health care services" as defined by the Washington Insurance Code cited above. This specific definition requiring licensure does not include all discount plans, only those providing "health care services."

- a) HPIH was not required to be appointed with Connecticut General because the product sold was not insurance.<sup>7</sup> The product provided by Connecticut General was dental discounts which is not insurance.
- b) The second carrier named under allegation #2 states that "HPIH was not appointed by Ameritas." This statement is not correct. Please see the attached printout from the Washington OIC website attached as Exhibit C showing HPIH was appointed by Ameritas in October 2016. This allegation also contradicts page 2 of the Report which states "HPIH was appointed with Ameritas from 10/11/16 to 4/01/19 (Exhibit #2B)."
- c) Unified Life Insurance Company ("Unified")

HPIH offered Unified short term medical coverage for a period of time in 2016 in Washington. Xchange Benefits was responsible for appointing pursuant to its agreement with HPIH, and the designated responsible licensed producer was appointed at the time. Xchange Benefits was appointed by Unified during this period.

d) The fourth item under appointment provides that "HPIH was not appointed with Gerber." This Rx coverage in Washington was not provided by Gerber, but rather provided by Data Rx the parent company of RxSense. This was not insurance nor was it even provided by Gerber where an appointment of Gerber would have been required.

### III. Allegation #3-Affiliations (Page 13)

Please note that agents are to be affiliated with the company for which they work. HPIH appointed W-2 agents in good faith. The independent agents are not HPIH's agents, nor are they representing HPIH. HPIH is a cloud-based technology platform that provides agents with the tools they need to sell affordable health insurance products to consumers. HPIH through this platform connects insurance carriers with licensed insurance agents and distributors to provide their consumers with access to carrier products. HPIH also provides consolidated billing and customer service to clients of insurance agents. These are independent agents. HPIH welcomes the opportunity to discuss its business operations with OIC to explain its role in the sales process. The independent agents, if applicable and required, would have been affiliated with their own agency, not with HPIH. HPIH is not the independent agent's agency. HPIH welcomes the opportunity to further discuss its business model with OIC.

### IV. Allegation #4-Misleading Representation (Pages 13-15)

HPIH welcomes the opportunity to discuss with OIC the allegations in this section. HPIH does not mislead consumers nor collect premium in excess of the amounts expended.

Much of the section includes discussion and results of a survey of Washington consumers. HPIH welcomes the opportunity to discuss with OIC its practices and does not misrepresent the products provided to consumers. While HPIH was not involved with the survey noted in this section of the Report, there is no association members join or are required to join as indicated by the survey. Members are provided online access to their account to see documents, which is provided convenient and free to members, but in no way is the member joining any type of association.

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<sup>&</sup>lt;sup>7</sup> Insurance is a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies. RCW 48.01.040.

In addition, consent to remuneration and fees occurs in the verification and EchoSign<sup>8</sup> signed by the consumers. **All sales include a verification phase,** where the consumer is asked to confirm (*i.e.* verify) that the consumer understands certain key facts relating to the products purchased. No person purchase any product without going through the verification. Verification is done either at the end of the sales call (and is recorded), or via EchoSign. Extensive disclosure is made during verification process as well as in other information made available to policyholders. HPIH welcomes the opportunity to provide any additional documentation or proof requested regarding disclosures, including disclosure of fees and commissions.

While we were not involved with this survey and cannot attest to what a consumer provided in response to this survey or why an answer was given, at the point of sale every consumer will have stated that they did understand the key facts of the transaction. We believe this is more relevant than questions asked many months or years after purchase.

HPIH does not believe the survey reflects the information relayed to consumers and the care taken in the scripts. In fact, other national surveys have shown confusion over the Affordable Care Act and the OIC survey may have confirmed those general misconceptions. For example, a survey found that 80.1% of Americans surveyed do not know the essential health benefits of the Affordable Care Act, and 1 in 4 Americans falsely believed the Affordable Care Act was repealed in 2018 according to a survey. The questions regarding the Affordable Care Act likely pick up these general misperceptions and do not implicate HPIH as it does not mislead or provide incorrect information to consumers regarding the Affordable Care Act. In fact, the Report on page 14 cites scripts (Exhibit #5K) where producers explain the product is "not ACA compliant."

HPIH can provide documentation on disclosure separately that is more reliable than an after the fact opinion survey, as even professionally qualified polling organizations can have challenges obtaining accurate surveys and polling.

On pages 14-15, the Report references a spreadsheet provided by HPIH to the OIC, where HPIH identified producers who received commission for each of the 34,351 Washington transactions. HPIH believes that the spreadsheet was misinterpreted and would the like the opportunity to discuss the spreadsheet to clarify the discrepancies mentioned in the Report.

### V. Conclusions (Pages 15-16)

The conclusions on pages 15-16 benefit from the same clarifications and corrections as noted above.

The allegation that Health Plan Intermediaries Holdings sold unauthorized discount medical plans in Washington is claimed to be substantiated in the Report, for example, by noting the amount of enrollment fees collected for ScripPal. As noted above, there are no charges for ScripPal and nowhere in the materials is there ever mentioned "enrollment fees" for ScripPal. The allegations also fail to take into account that those carriers were authorized life and disability insurers and/or PBM's, therefore authorized to provide the discount products through their current license, not requiring a separate discount plan license. Moreover, the allegations fail to take into account that "health care services" were missing from many of the products which is a required element for a discount health benefit plan. For example, all literature and

<sup>&</sup>lt;sup>8</sup> Currently renamed Adobe Sign.

https://www.policygenius.com/blog/most-americans-know-nothing-about-obamacare/

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corresponding website disclosures properly stated GapAofford Plus was "not available in Washington". No health care service or medical discounts were made available or provided to Washington consumers at any time.

The allegation that HPIH sold insurance products from carriers for which HPIH was not appointed is also not substantiated. The allegations fail to take into account the products sold, which were not insurance. In addition, the allegation that HPIH was not appointed by Ameritas is contradicted by an earlier statement to the contrary in the Report, as well as the OIC website printout attached as Exhibit C.

The allegation that HPIH sold insurance through producers who were not affiliated does not take into account the nature of the relationship between the independent agents and HPIH as noted above. HPIH welcomes the opportunity to discuss its technology platform, and that these are independent agents that represent their agency and the carriers, not HPIH. The affiliations would have been, if applicable, between the independent agents and their own agencies.

Regarding the allegation HPIH collected premium sums in excess of the amount that is expended, HPIH welcomes the opportunity to discuss the data provided and believes it is being misinterpreted by OIC. HPIH also welcomes the opportunity to explain further the disclosure of amounts paid, the consumer's consent through the EchoSign process and go over scripts and recordings from the independent producers. At the point of sale every consumer must state that they did understand the key facts of the transaction. Extensive care is taken to make sure each consumer knows what he or she is purchasing prior to any purchase.

The Report alleges that HPIH did business as "MybenefitsKeeper" and that OIC found "no record of MyBenefitsKeeper licensed as a Washington producer." Please note that MybenefitsKeeper is a registered service mark of HPIH, and is registered with state of Washington. Please see attached Exhibit D.

Again, HPIH appreciates the investigation and work that OIC has undertaken. Based on an initial review of the Report, HPIH strongly believes that a discussion and further clarification of the facts set forth in the Report would be appropriate, fair and beneficial to both OIC and HPIH before any further actions are undertaken. HPIH remains willing to discuss and provide further clarification at the OIC's convenience.

Thank you for your time and consideration and we look forward to continuing to work with OIC on a resolution to this matter.

Exhibit A

Mailing address

MAIL CODE 1-04-701

Telephone

614-249-4431

**BLVD** 

ONE WEST NATIONWIDE

COLUMBUS, OH 43215-2220

Agent and Company Lookup Orders Independent Review Decisions

### NATIONAL CASUALTY COMPANY

Change History | Licensing | Appointments | Complaints | Orders | National Info | Ratings | Tax Filings

Back to Search

**BLVD** 

Telephone

614-249-4431

Contact information

Registered address

ONE WEST NATIONWIDE

COLUMBUS, OH 43215-2220

### General information

Name: NATIONAL CASUALTY COMPANY

Corporate family group: NATIONWIDE CORP

GRP ①

Organization type: PROPERTY

Doing Business As (DBA): Unavailable

**WAOIC: 887 NAIC:** 11991

Status: ACTIVE

Admitted date: 11/06/1907 Ownership type: STOCK

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View changes

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### Types of coverage authorized to sell o

Insurance types	3				
Casualty					
Disability					
Marine					
Ocean Marine					
Property					
Surety					
Vehicle					
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### Agents and agencies that represent this company (Appointments)

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View agencies

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### Company complaint history

8/26/2019

https://fortress.wa.gov/oic/consumertoolkit/Company/CompanyProfile.aspx?WAOIC=887

View complaints

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### Orders issued since 2010 •

View orders

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### Premium tax filings by tax year o

2018 2017 2016 2015 2014

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### National information on insurance companies

Want more information about this company? The NAIC's Consumer Information (CIS) page allows you to retrieve national financial and complaint information on insurance companies, plus has information and tips to help you understand current insurance issues.

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### Ratings by financial organizations

The following organizations rate insurance companies on their financial strength and stability. Some of these companies charge for their services.

A.M. Best

Weiss Group Ratings

Standard and Poor's Corp

Moody's Investors Service

Fitch IBCA, Duff and Phelps Ratings

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Exhibit B

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160

PH:

Te

861

Contact information

Registered address

Telephone 860-226-6000

900 COTTAGE GROVE RD A149

HARTFORD, CT 06152-1149

Agent and Company Lookup Orders Independent Review Decisions

### CONNECTICUT GENERAL LIFE INSURANCE COI

Change History | Licensing | Appointments | Complaints | Independent Reviews | Orders | Network Access Reports |

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### General information

Name: CONNECTICUT GENERAL LIFE INSURANCE COMPANY

Corporate family group: CIGNA HLTH GRP (9)

Organization type: LIFE

Doing Business As (DBA): Unavailable

WAOIC: 321 **NAIC:** 62308

Status: ACTIVE

Admitted date: 03/13/1944 Ownership type: STOCK

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View changes

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### Types of coverage authorized to sell $_{\odot}$

Insurance types Disability Life

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### Agents and agencies that represent this company (Appointments)

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https://fortress.wa.gov/oic/consumertoolkit/Company/CompanyProfile.aspx?WAOIC=321

### Premium tax filings by tax year <a>©</a>

2018 2017 2016 2015 2014

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### Network access reports o

View Network Access Reports

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### National information on insurance companies

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### Ratings by financial organizations

The following organizations rate insurance companies on their financial strength and stability. Some of these companies charge

A.M. Best
Weiss Group Ratings
Standard and Poor's Corp
Moody's Investors Service
Fitch IBCA, Duff and Phelps Ratings

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Agent and Company Lookup Orders Independent Review Decisions

### P

CIGNA HEALTH	I AND LIFE INSURANCE COM
Change History   Licensing   Appointments   Complaints	Independent Reviews   Orders   Network Access Reports   Back to Search
General information  Name: CIGNA HEALTH AND LIFE INSURANCE COMPANY Corporate family group: CIGNA HLTH GRP © Organization type: LIFE Doing Business As (DBA): Unavailable  WAOIC: 599	Contact information  Registered address 900 COTTAGE GROVE RD BLOOMFIELD, CT 06002  Telephone 215-761-4416
NAIC: 67369  Status: ACTIVE Admitted date: 01/04/1979 Ownership type: STOCK	
Company change history ©  View changes  Description to top	
Types of coverage authorized to se  Insurance types Disability Life  A back to top	<b>≥  </b>
Agents and agencies that represer	nt this company (Appointments) o
Company complaint history ©  View complaints  * back to top	
Independent review decisions   View decisions  * back to top	
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https://fortress.wa.gov/oic/consumertoolkit/Company/CompanyProfile.aspx?WAOIC=599

Premium	tax	filings	by	tax	year	0
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2018 2017 2016 2015 2014

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### Network access reports o

View Network Access Reports

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### National information on insurance companies

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### Ratings by financial organizations

The following organizations rate insurance companies on their financial strength and stability. Some of these companies charge

A.M. Best
Weiss Group Ratings
Standard and Poor's Corp
Moody's Investors Service
Fitch IBCA, Duff and Phelps Ratings

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### Consumer tools

Exhibit C

Agent and Company Lookup Orders Independent Review Decisions

### AMERITAS LIFE INSURANCE CORP

WAOIC: 177 | NAIC: 61301

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### Agencies that can represent this company (Appointments) o

To find an agent in your area sort by city.

Active appointments					
Showing 1-50 of 339 Results		F	Page: 1 2	3 4 5 6 7   N	ext »   View A
Name 🔊	WAOIC	City	State	<b>Effective Date</b>	Expiration Date
ACHIEVE ALPHA INSURANCE LLC	840789	BELLEVUE	WA	04/25/2018	11/03/2020
ACSIA PARTNERS, LLC	912331	KIRKLAND	WA	10/04/2016	11/03/2020
ADEPT BENEFITS, LLC	969109	BELLEVUE	WA	01/25/2018	11/03/2020
ADVISOR BENEFITS GROUP INC THE	103881	KENNEWICK	WA	07/03/2018	11/03/2020
AEVO INSURANCE SERVICES, LLC	776832	WAKEFIELD	MA	03/26/2018	11/03/2020
AGENCYRM, LLC	843111	BULVERDE	TX	09/24/2018	11/03/2020
AGENT BROKERAGE ALTERNATIVES, LLC.	942484	WESTFIELD	IN	07/06/2017	11/03/2020
ALDRICH BENEFITS, LP	236194	SALEM	OR	10/08/2013	11/03/2020
ALICE BOHNKER INSURANCE SERVICES LLC	241445	ANACORTES	WA	05/14/2013	11/03/2020
ALLIANT INSURANCE SERVICES INC	259667	SEATTLE	WA	02/28/2018	11/03/2020
ALLIANT INSURANCE SERVICES INC	11478	SAN DIEGO	CA	03/31/2010	11/03/2020
ALTERRA ADVISORS, LLC	983282	BELLEVUE	WA	10/18/2018	11/03/2020
AMAC SENIOR RESOURCES NETWORK INC	797570	LADY LAKE	FL	11/25/2014	11/03/2020
AMERICAN FIDELITY GENERAL AGENCY INC	126885	OKLAHOMA CIT	ү ок	12/20/2013	11/03/2020
AMERICAN HERITAGE LIFE CORPORATION	84379	ENUMCLAW	WA	04/11/2017	11/03/2020
AMERICAN SELECT PARTNERS LLC	977895	DALLAS	TX	05/22/2018	11/03/2020
AMERICAN SENIOR BENEFITS LLC	226363	CEDAR PARK	TX	07/25/2019	11/03/2020
AMERICAS HEALTH CARE / RX PLAN AGENCY INC	255434	BEAVERTON	OR	07/16/2019	11/03/2020
AMERILIFE DIRECT LLC	746481	CLEARWATER	FL	08/04/2018	11/03/2020
AMERILIFE MARKETING GROUP LLC	745447	CLEARWATER	FL	09/24/2018	11/03/2020
AMERIPRISE FINANCIAL SERVICES INC	99902	SEATTLE	WA	02/20/2017	11/03/2020
AMERITAS INVESTMENT CORP	127309	LINCOLN	NE	08/14/1998	11/03/2020
ANNUITY SOURCE INC THE	86194	BELLEVUE	WA	11/07/2017	11/03/2020
AON CONSULTING INC	123715	CLAYTON	МО	01/30/2018	11/03/2020
APOLLO INSURANCE GROUP, INC	989949	LEAWOOD	KS	07/15/2019	11/03/2020
APPLIED INSURANCE GROUP LLC	912672	VANCOUVER	WA	01/05/2019	11/03/2020

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8/26/2019

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ARIA RETIREMENT SOLUTIONS, INC.	806748	SAN FRANCISCO	CA	04/07/2017	11/03/2020
ARMFIELD HARRISON & THOMAS INC	155518	SEATTLE	WA	02/16/2012	11/03/2020
ARNOLD & SMITH INSURANCE AGENCY INC	2763	SHELTON	WA	04/30/2014	11/03/2020
ASH BROKERAGE, LLC	207010	FORT WAYNE	IN	07/31/2012	11/03/2020
ASPEN CREEK FINANCIAL GROUP AND INSURANCE SERVICES	995336	RENO	NV	02/28/2019	11/03/2020
ASSOCIATION BENEFITS CORPORATION	74828	LYNNWOOD	WA	09/27/2016	11/03/2020
ASSOCIATION INSURANCE SERVICES INC	67253	SEATTLE	WA	06/29/2012	11/03/2020
ASSOCIATION MEMBER BENEFITS ADVISORS, LLC	229967	AUSTIN	TX	02/28/2008	11/03/2020
ASSURANCE AGENCY LTD	56094	SCHAUMBURG	IL	11/17/2015	11/03/2020
ASSUREDPARTNERS OF WASHINGTON, LLC	877030	SEATTLE	WA	12/15/2016	11/03/2020
AXA NETWORK LLC	160259	HARRISBURG	PA	01/11/2011	11/03/2020
BAIRD INSURANCE SERVICES INC	124028	MILWAUKEE	WI	04/17/2007	11/03/2020
BAKER INSURANCE GROUP LLC	747046	SNOQUALMIE	WA	11/06/2017	11/03/2020
BARKER UERLINGS INSURANCE INC	95483	CORVALLIS	OR	02/09/2018	11/03/2020
BASIN INSURANCE ASSOCIATES INC	134145	MOSES LAKE	WA	02/18/2018	11/03/2020
BELL BLACK INSURANCE, INC.	783814	REXBURG	ID	08/19/2019	11/03/2020
BELLE FINANCIAL, LLC	916239	SPOKANE	WA	02/19/2018	11/03/2020
BENE CORP	787018	SEATTLE	WA	05/14/2016	11/03/2020
BENEFIT ADMINISTRATION COMPANY LLC	159182	SEATTLE	WA	02/28/2008	11/03/2020
BENEFIT CONSULTANTS NORTHWEST INC	137688	SPOKANE	WA	12/04/2009	11/03/2020
BENEFIT DESIGN GROUP LLC	181164	PORTLAND	OR	05/03/2016	11/03/2020
BENEFIT PLANS OF AMERICA	845951	NOBLESVILLE	IN	07/16/2019	11/03/2020
BENEFITS NW INC	192045	EVERETT	WA	07/29/2019	11/03/2020
BENSLER LLC	258368	BELLEVUE	WA	06/14/2006	11/03/2020

View All

## ₱ print active list | □ export active list to Excel.csv

### Inactive appointments (2-year history)

Showing 1-32 of 32 Results

Name 🔺	WAOIC	City	State	Effective Date	Expiration Date	Cancel Date
ALBERS & COMPANY INC	36092	TACOMA	WA	12/03/2017	11/03/2018	04/01/2018
ASPIRE BENEFITS LLC	945313	DUBLIN	ОН	09/24/2018	11/03/2020	03/16/2019
BASIC FINANCIAL SOLUTIONS INC	149682	SPOKANE	WA	05/22/2018	11/03/2020	01/26/2019
BB&T INSURANCE SERVICES OF CALIFORNIA INC	97045	IRVINE	CA	12/01/2016	11/03/2020	06/25/2019
BCI GROUP INC	116635	PORTLAND	OR	03/15/2009	11/03/2018	09/11/2017
BELLEVUE FINANCIAL INC	246963	BELLEVUE	WA	01/04/2017	11/03/2018	10/10/2017
BRUCHET HOLDINGS INC	15913	OLYMPIA	WA	03/13/2012	11/03/2020	05/03/2019
CAPITAL FINANCIAL SERVICES INC	253802	MINOT	ND	03/13/2007	11/03/2020	08/06/2019
CONNECTEDHEALTH, LLC	760079	CHICAGO	IL	02/04/2016	11/03/2020	04/16/2019
COORDINATED RESOURCES GROUP INC	9084	PORTLAND	OR	05/23/2012	11/03/2018	12/05/2017
CORKERY & JONES BENEFITS INC	121562	SPOKANE	WA	07/28/2009	11/03/2018	10/06/2017

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8/26/2019

https://fortress.wa.gov/oic/consumertoolkit/Company/CompanyAgencyAppointments.aspx?WAOIC=177

CRAFORD & CRAFORD	269892	SAN RAFAEL	CA	10/27/2015	11/03/2020	11/08/2018	
DAVIDSON BENEFITS PLANNING	144504	TIGARD	OR	07/09/2009	11/03/2018	10/15/2018	
ENVIA FINANCIAL LLC	792262	REDMOND	WA	02/17/2012	11/03/2018	08/29/2017	
FORESTERS EQUITY SERVICES INC	716845	SAN DIEGO	CA	01/14/2008	11/03/2020	12/12/2018	
GROUP SOLUTIONS NORTHWEST LLC	186230	MERCER ISLAND	WA	05/17/2017	11/03/2018	07/06/2018	
HALLETT FINANCIAL GROUP INC	120829	FARGO	ND	09/01/2017	11/03/2018	11/02/2018	
HBW INSURANCE AND FINANCIAL SERVICES INC	140642	SIMI VALLEY	CA	09/21/2015	11/03/2018	04/15/2018	
HEALTH BENEFITS NORTHWEST	753394	SEATAC	WA	03/12/2018	11/03/2018	11/02/2018	
HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC.	813017	TAMPA	FL	10/11/2016	11/03/2020	04/01/2019	
HECHT & HECHT LIFE & HEALTH INSURANCE AGENCY INC	242240	PORTLAND	OR	02/17/2009	11/03/2018	12/21/2017	
INVEST FINANCIAL CORPORATION INSURANCE AGENCY INC	45513	KENT	WA	11/02/2016	11/03/2020	06/19/2019	
JH SIGNATURE INSURANCE AGENCY, INC.	138543	BOSTON	MA	04/07/2016	11/03/2020	11/26/2018	
LEGACY MARKETING GROUP	105922	PETALUMA	CA	08/11/2017	11/03/2018	06/01/2018	
MEDOVA HEALTHCARE FINANCIAL GROUP, LLC	776623	WICHITA	KS	12/01/2014	11/03/2020	10/21/2018	
MFG GROUP LLC	895178	TUMWATER	WA	12/14/2015	11/03/2020	05/09/2019	
NATIONAL PLANNING CORPORATION	142877	EL SEGUNDO	CA	04/16/2007	11/03/2018	05/29/2018	
PHYSICIANS THRIVE, LLC	852466	OMAHA	NE	08/06/2014	11/03/2018	11/02/2018	
SERVCO INSURANCE SERVICES WASHINGTON LLC	766774	SEATTLE	WA	09/22/2016	11/03/2020	06/05/2019	
STRATTON INSURANCE SERVICES INC	105689	PENDLETON	OR	03/21/2017	11/03/2018	11/02/2018	
THE NORA GROUP	899643	RIDGEFIELD	WA	11/05/2015	11/03/2020	04/01/2019	
YOURPEOPLE INC	859923	SAN FRANCISCO	CA	12/07/2014	11/03/2018	12/21/2017	

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Unified Business ID #: 603481272 Business ID #: 001

Location: 0001



### **BUSINESS LICENSE**

**Exhibit D** 

Limited Liability Company

HEALTH PLAN INTERMEDIARAIES HOLDINGS, LLC MYBENEFITSKEEPER 15438 N FLORIDA AVE STE 201 TAMPA, FL 33613-1223

TAX REGISTRATION #603-481-272 - ACTIVE

REGISTERED TRADE NAMES: HEALTH INSURANCE INNOVATIONS MY BENEFITS TRACKER MYBENEFITSKEEPER

This document lists the registrations, endorsements, and licenses authorized for the business named above. By accepting this document, the licensee certifies the information on the application was complete, true, and accurate to the best of his or her knowledge, and that business will be conducted in compliance with all applicable Washington state, county, and city regulations.

STATE OF WASHINGTON

UBI: 603481272 001 0001

HEALTH PLAN INTERMEDIARAIES HOLDINGS, LLC MYBENEFITSKEEPER 15438 N FLORIDA AVE STE 201 TAMPA, FL 33613-1223

TAX REGISTRATION #603-481-272 -ACTIVE

From: Hansen, Kriscinda (OIC)

To: Hood, Toni (OIC); Pasarow, Sofia (OIC)

**Subject:** FW: clarification regarding credit ACH (wire transfer) payments

**Date:** Tuesday, January 7, 2020 5:17:09 PM

Attachments: <u>image001.png</u>

FYI on this item.

#### Kriscinda Hansen

she/her pronouns
Operations | Fiscal Supervisor

From: Hansen, Kriscinda (OIC)

**Sent:** Tuesday, January 7, 2020 5:16 PM **To:** Mason, Dan (TRE); Penley, Sue (TRE)

Cc: Merchant, Jennifer (TRE)

Subject: clarification regarding credit ACH (wire transfer) payments

Dan

This email is in follow up to our phone conversation regarding the ability to accept wire transfer payments. Background:

An entity may need to pay OIC a fine. The entity's attorney asked the OIC attorney assigned the case if the payment couple be made via wire transfer. OIC responded no, the payment would need to be made via check. The attorney then contacted the Washington State Treasurer (TRE), inquiring as to whether the payment could be made via credit ACH. TRE reached out to OIC to seek clarification, as the state is able to accept wire transfer payments.

Response clarification:

OIC acknowledges that the ability exists for the state as a whole to accept wire transfer payments. OIC responded no to the question because OIC is not operationally able to accept a wire transfer payment.

It is my understanding that TRE will be following up with the attorney directly; if they have further questions, please have them communicate with the OIC attorney assigned to the case.

Respectfully, Kriscinda



#### Kriscinda Hansen

she/her pronouns
Fiscal Supervisor
MBA, MPA
Washington State Office of the Insurance Commissioner
360.725.7032
KriscindaH@oic.wa.gov

From: Pasarow, Sofia (OIC)

Whitmer, Steven; Jacobs, Daniel (OIC) To:

Cc: Levin, Alan; Farber, Tim Subject: RE: OIC/HII: Follow Up

Tuesday, December 31, 2019 1:28:00 PM Date:

Attachments: image001.png

#### Mr. Whitmer.

Thank you for providing your request in writing. As you noted, OIC's standard practice includes making press releases regarding enforcement actions. In addition, once a consent order is executed, it also becomes accessible to the public on OIC's website.

While OIC understands HII's position, the agency has decided to issue a press release once the fine payment has been received and the consent order has been executed.

If you would like to discuss further, please feel free to contact me.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

**From:** Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Tuesday, December 31, 2019 5:46 AM To: Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Cc: Levin, Alan; Farber, Tim Subject: OIC/HII: Follow Up

Daniel.

Following up on our recent call, Health Plan Intermediaries Holdings, LLC ("HII") respectfully requests that OIC delay issuing its press release concerning the parties' consent order until February 1, 2020. We are pleased the parties were able to work together to resolve this matter before the end of the year. For business reasons, however, it is important to HII that the announcement of this settlement be deferred for at least 30 days. While we understand that it's OIC's standard practice to issue press releases concerning settlements, we do not believe OIC would be prejudiced by delaying the announcement—yet at the same time, the 30 day delay would provide considerable assistance to HII. We thank OIC for its consideration of this request.

Regards. Steve Steven T. Whitmer Partner

Locke Lord LLP

111 South Wacker Drive Chicago, IL 60606 T: 312-443-1869 F: 312-896-6569

swhitmer@lockelord.com

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 From:
 McKenna, Rob

 To:
 Jacobs, Daniel (OIC)

Cc: Whitmer, Steven; Pasarow, Sofia (OIC); Farber, Tim; Levin, Alan

Subject: Re: OIC/HII: HII"s Proposed Final Language to Consent Order

**Date:** Monday, December 23, 2019 4:13:18 PM

Attachments: <u>image001.png</u>

Thank you, Daniel and Sofia. Enjoy the holidays!

Rob

Sent from my iPhone

On Dec 23, 2019, at 12:19 PM, Jacobs, Daniel (OIC) wrote:

Tim, Steven, Alan and Rob:

On behalf of the Insurance Commissioner, Sofia and I are happy to agree to these terms to resolve this matter.

Would you be able to send over a Microsoft Word document version of the most recent redline so the paralegal on our end can do the formatting and put the Insurance Commissioner's signature on it? We should be able to get the PDF order to sign out to you before COB today.

Good work everyone,

Sincerely,

### **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

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**From:** Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Monday, December 23, 2019 12:08 PM **To:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC) **Cc:** 'McKenna, Rob'; Farber, Tim; Levin, Alan

**Subject:** RE: OIC/HII: HII's Proposed Final Language to Consent Order

Daniel and Sofia,

Following up on call this morning, attached is a redline with HII's proposed changes to OIC's 12/20 draft of the consent order. Based on our discussion, we are hopeful we have a deal—but please confirm. Please note that, as discussed, we changed the payment date to December 31. Thank you.

Regards, Steve

From: Whitmer, Steven

**Sent:** Monday, December 23, 2019 9:49 AM **To:** 'Jacobs, Daniel (OIC)'; Pasarow, Sofia (OIC) **Cc:** McKenna, Rob; Farber, Tim; Levin, Alan

Subject: OIC/HII: Follow Up

Daniel and Sofia,

We are writing to follow up on our Friday call. Attached is a redline showing the changes OIC proposed to HII on Friday, and here are HII's comments:

- <!--[if !supportLists]-->• <!--[endif]--><u>HII is agreeable to OIC's following changes</u>:
  - <!--[if !supportLists]-->o<!--[endif]-->Paragraphs 6, 13, 17, 27 and 38:
  - <!--[if !supportLists]-->o <!--[endif]-->The middle of Paragraph 64;
  - <!--[if !supportLists]-->o<!--[endif]-->The third paragraph of the Consent to Order section; and
  - <!--[if !supportLists]-->o<!--[endif]-->The first paragraph of the Agreed Order section.
- <!--[if !supportLists]-->• <!--[endif]--><u>HII is not agreeable to OIC's following changes</u>:
  - <!--[if !supportLists]-->o <!--[endif]-->The first sentence of Paragraph 64;
  - <!--[if !supportLists]-->o<!--[endif]-->Deletion of Paragraph 65; and
  - <!--[if !supportLists]-->o<!--[endif]-->Deletion of second sentence of Paragraph 4 of the Consent to Order section.

With respect to the changes to which HII is not agreeable, the language HII requested is extremely important to its institutional shareholders—we are therefore hopeful that OIC can make that language work so we can get this deal cemented today. Please let us know when you are available this morning for a call and we will circulate an invite. Thanks.

Regards, Steve

Steven T. Whitmer

Partner

#### **Locke Lord LLP**

111 South Wacker Drive

Chicago, IL 60606

T: 312-443-1869

F: 312-896-6569

swhitmer@lockelord.com

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Pasarow, Sofia (OIC) Jacobs, Daniel (OIC): Whitmer, Steven McKenna, Rob; Levin, Alan; Farber, Tim RE: HII/OIC: Follow Up Friday, December 20, 2019 2:33:00 PM image:002.png image:003.png

Hello all,

Thank you again for meeting today to discuss the consent order. Daniel and I checked in with our office about the fine payment deadline

The consent order must be signed by December 24, 2019, but we are authorized to set a fine payment deadline of December 31, 2019. We will add this deadline to the consent order.

Please let us know if you have any further questions.

Sincerely.



#### Sofia Pasarow

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Friday, December 20, 2019 12:27 PM

To: Whitmer, Steven

Cc: McKenna, Rob; Pasarow, Sofia (OIC); Levin, Alan; Farber, Tim

Subject: RE: HII/OIC: Follow Up

Steven: Here are OIC's proposed edits,

Look forward to speaking in a few,

Sincerely,



#### Daniel Jacobs

ıt Specialist Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commission PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Friday, December 20, 2019 11:42 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Cc: McKenna, Rob < mckenna@orrick.com>; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; Farber, Tim < TFarber@lockelord.com> Subject: Re: HII/OIC: Follow Up

Thanks. Let's use this number: Call in Number: 1-866-512-4865

Passcode: 845326

On Dec 20, 2019, at 1:40 PM, Jacobs, Daniel (OIC) < Daniel @oic.wa.gov> wrote:

Yes, that works fine.

Please feel free to send a calendar invite.

Look forward to speaking then, Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Speciatiss Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255

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From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Friday, December 20, 2019 11:37 AM To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: Re: HII/OIC: Follow Up

Sure. Can we do 12:30 PT?

Sent from my iPhone

On Dec 20, 2019, at 1:32 PM, Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov > wrote:

Sofia and I are in receipt of your offer. Would your team have time to talk this afternoon, say 1 or 1:30 PM, PST? We have other availability this afternoon if this won't work, Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: McKenna, Rob [mailto:rmckenna@orrick.com]

Sent: Friday, December 20, 2019 11:02 AM

To: Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>

Subject: RE: HII/OIC: Follow Up

Daniel and Sofia, just want to confirm you received Steve's email below. I recall that Daniel said he will be out of office on Christmas Eve as well as Christmas - and also on Monday?

Thanks.

Roh

From: Whitmer, Steven < SWhitmer@lockelord.com>

Sent: Friday, December 20, 2019 10:06 AM

```
To: 'Jacobs, Daniel (OIC)' < <a href="mailto:Daniell@oic.wa.gov">Daniell@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
Cc: McKenna. Rob <mckenna@orrick.com>: Levin. Alan <Alan.Levin@lockelord.com>: Farber. Tim <TFarber@lockelord.com>
Subject: HII/OIC: Follow Up
Daniel and Sofia.
HII accepts the proposed offer of $1.5 million, but only if OIC accepts HII's attached proposed modifications to the consent order. We are available for a call if you would
like to discuss this further. Please let us know if we have a deal. Thanks.
Regards, Steve
From: Jacobs, Daniel (OIC) < Daniel J@oic
Sent: Friday, December 20, 2019 10:42 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: McKenna, Rob <mckenna@orrick.com>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
Subject: RE: Update
Tim:
OIC offered to drop the premium statutes if HII accepted the proposed offer of 1.5 million. A proposed fine of less than 1.5 million is not on the table.
As such, we do not think a phone call would be beneficial at this time,
If your client accepts the settlement terms as discussed on Wednesday, we can send you the final revised consent order before the close of business today.
Sincerely,
                       Daniel Jacobs
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            From: Farber, Tim [mailto:TFarber@lockelord.com]
            Sent: Friday, December 20, 2019 8:10 AM
            To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov
            Cc: McKenna, Rob < mckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >
           Subject: RE: Update
           Please see the attached revised updated consent order. HPIH has increased its fine amount to $1.25M. Would you have time to discuss today, perhaps at 11:30
            am Pacific Time or earlier? Thanks very much
           Best Regards,
           From: Farber, Tim
            Sent: Tuesday, December 17, 2019 9:59 AM
            To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
           Cc: McKenna, Rob <rmckenna@orrick.com>; Whitmer, Steven <SWhitmer@lockelord.com>; Levin, Alan <Alan, Levin@lockelord.com>
            Thanks, I will send out a calendar invite
            Tim
            From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
            Sent: Tuesday, December 17, 2019 9:47 AM
            To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
            Cc: McKenna, Rob <rmckenna@orrick.com>; Whitmer, Steven <SWhitmer@lockelord.com>; Levin, Alan <Alan.Levin@lockelord.com>
            Subject: RE: Update
            We are free at 1 PM PST. Feel free to send over an invite,
            Sincerely,
                                  Daniel Jacobs
                                   Insurance Enforcement Specialistics.

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Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
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                                                                                     blogspot.com | email/text alerts
            From: Farber, Tim [mailto:TFarber@lockelord.com]
            Sent: Tuesday, December 17, 2019 7:42 AM
            To: Jacobs, Daniel (OIC) < Daniel (OIC) < Daniel (OIC) < Daniel (OIC) < Sofia (OIC) < 
            Cc: McKenna, Rob <rmckenna@orrick.com>; Whitmer, Steven <SWhitmer@lockelord.com>; Levin, Alan <Alan.Levin@lockelord.com>
            Subject: RE: Update
            Sofia and Daniel,
            I've adjusted the preference window for a call from between 12:30-2:00 pm PST if there's a no more than 30 min. block that works for you. Thanks,
            From: Farber, Tim
            Sent: Monday, December 16, 2019 6:31 PM
            To: 'Jacobs, Daniel (OIC)' <Daniel @oic.wa.gov>: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
            Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >
            Subject: RE: Update
            Thanks, Looks like 12:30-2:30 pm PST works best for us, if you have availability for 30 minutes or so in that window tomorrow. Thanks,
            From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>
            Sent: Monday, December 16, 2019 6:18 PM
            To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
            Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan, Levin@lockelord.com >
            Subject: RE: Update
            Sofia and I are available tomorrow morning 10 AM PST to 11 AM PST, and we have some availability in the afternoon if that doesn't work,
            Sincerely,
                                  Daniel Jacobs
                                   Insurance Enforcement Option Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264
            Protectina Insurance Consumers
            Insurance Consumer Hotline 1.800.562.6900
            www.insurance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
            From: Farber, Tim [mailto:TFarber@lockelord.com]
            Sent: Monday, December 16, 2019 4:08 PM
            To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>
            Cc: McKenna, Rob <<u>rmckenna@orrick.com</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
            Subject: RE: Update
            Daniel and Sofia.
            Thanks again for speaking with us on Thursday. Attached please find proposed revisions to the consent order. Please let us know if you are available on Tuesday to
            discuss this matter. Thanks
```

```
From: Pasarow, Sofia (OIC) < Sofia P@oic.
Sent: Thursday, December 12, 2019 7:23 PM
To: Farber, Tim <TFarber@lockelord.com>; Jacobs, Daniel (OIC) <Daniell@oic.wa.gov>; Levin, Alan <Alan.Levin@lockelord.com>
Cc: McKenna, Rob < rmckenna@orrick.com
Subject: RE: Update
In addition, I have included Kelly Cairns contact information below. Thank you for meeting today and discussing the matter
Please let us know if you have additional questions.
Kelly Cairns
OIC Information Governance Manager
(360) 725-7003
KellyC@oic.wa.gov
Sincerely.
                        Sofia Pasarow
                        Insurance Enforcement Specialist
                        Legal Affairs Division
                        Washington State Office of the Insurance Commissioner
                        360-725-7181 (office)
                        SofiaP@oic.wa.gov
From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, December 12, 2019 5:14 PM
To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
Cc: McKenna, Rob < rmckenna@orrick.com >
Subject: RE: Update
From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Sent: Thursday, December 12, 2019 7:00 PM
To: Levin, Alan <Alan, Levin@lockelord.com>: Farber, Tim <TFarber@lockelord.com>: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
Cc: McKenna, Rob < rmckenna@orrick.com>
Subject: RE: Update
Pursuant to our phone call earlier today, here is the letter from Medical Security Card Company I was referring to.
                 Daniel Jacobs
                 Insurance Enjoyceme.
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
Protecting Insurance Consumers
Insurance Consumer Hotline 1.800.562.6900 www.insurance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
From: Levin, Alan [mailto:Alan.Levin@lockelord.com]
Sent: Thursday, December 12, 2019 11:45 AM
To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>
Cc: McKenna, Rob < rmckenna@orrick.com >
Subject: RF: Update
Tim, I may not be able to make it but know you will able handle without me. Best regards.
Alan J. Levin
Alan J. Levin
Partner
Locke Lord LLP
Brookfield Place, 200 Vesey Street
New York, NY 10281
T: 212-415-8600
D: 212-912-2777
O. Church Street 20th Floor
20 Church Street, 20th Floor
Hartford, CT 06103
D: 860-541-7747
D: 860-541-7747
F: 860-527-4198
alan.levin@lockelord.
Executive Assistant:
Megan S. Powell, CP
D: 860-541-7779
megan.powell@lockelord.com
View My <u>BIO</u> I Connect on <u>LinkedIn</u> I Visit <u>InsureReinsure Blog</u> Visit <u>lockelord.com</u>
From: Farber. Tim <TFarber@lockelord.com>
Sent: Thursday, December 12, 2019 2:09 PM
To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>
Subject: RE: Update
Yes, that time works, I can send out a calendar invite for 3:30 pm PST, Thanks,
From: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
Sent: Thursday, December 12, 2019 12:56 PM
To: Farber, Tim < TFarber@lockelord.com>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>
Cc: Levin, Alan <Alan, Levin@lockelord.com>: McKenna, Rob <rmckenna@orrick.com>
Subject: RE: Update
Are you free between 3:30pm and 4:00pm?
                        Sofia Pasarow
                        Insurance Enforcement Specialist
                        Legal Affairs Division
                        Washington State Office of the Insurance Commissioner
                        360-725-7181 (office)
                        SofiaP@oic.wa.gov
From: Farber, Tim [mailto:TFarber@lockelord.com]
```

Sent: Wednesday, December 11, 2019 4:51 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Thanks Sofia and Daniel. We appreciate the opportunity for a call and please feel free to propose a time that works for you Best Regards,

### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 427 of 761 PageID 829

From: Pasarow, Sofia (OIC) < Sofia P@oic

Sent: Wednesday, December 11, 2019 6:08 PM

To: Farber, Tim < TFarber@lockelord.com>; Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>

Subject: RE: Update

Daniel and I presented the case at today's Producer Enforcement Group Meeting. The Group authorized a settlement offer fine of \$1,500,000. As discussed, the offer is extended until December 24, 2019.

Attached is the revised proposed consent order. We will consider one final round of proposed edits, if the proposed edits are limited, and made in a good faith effort to settle the case

We would like to discuss the circumstances of the Consent Order disclosure with you tomorrow, if you are available for a phone call during the second half of the

Please let us know if you have any questions.

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 9:54 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email Daniel and Sofia.

Best Regards,

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Wednesday, December 11, 2019 11:45 AM

To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim and Rob:

We are in receipt of your email and voicemails from earlier this morning. We will be presenting your offer later this morning to the Group, and are looking further into the circumstances of the Consent Order disclosure. We will send over the edited consent order language this afternoon. I don't know that we'll have time to call you back before the Group presentation this morning, but we will update you as soon as we have more information.

#### **Daniel Jacobs**

#### **Protecting Insurance Consumers**

onsumer Hotline 1.800.562.6900

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Wednesday, December 11, 2019 8:53 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Sofia and Daniel. HPIH would like you to present its offer to the Group and appreciates you doing so. Please note that the language in the consent order is important and still needs to be agreed upon so we look forward to your draft. Also, HII is disappointed the confidential draft consent order provided on September 25th, 2019 was recently released and has been used by short sellers to already harm HII and its stock and believe that should be a mitigating factor for the amount of the fine.

Best Regards.

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, December 10, 2019 5:07 PM

To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and I want to thank you for your continued good faith efforts at settlement negotiation, and given the movement that has been made, Sofia and I will present the proposed fine amount of \$875,000 to the Producer Enforcement Group tomorrow.

Sofia and I will be recommending that the Group approve a counter-offer of \$1.25 million.

Should HII respond prior to the Group meeting tomorrow at 11 AM PST with a different number closer to what Sofia and I will be recommending, we will provide the Group with HII's updated proposal.

Please feel free to follow up with further questions, otherwise, we will update you after the Group has met,

**Daniel Jacobs** 

**Protecting Insurance Consumers** 

Consumer Hotline 1.800.562.6900 e.wa.gov | twitter.com/WA\_OIC | wainsura

ogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Tuesday, December 10, 2019 1:58 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for your email. HPIH has increased its fine amount to \$875,000. HPIH would like to see a draft order and continue to work out a resolution in good faith. Thanks.

On Dec 10, 2019, at 3:27 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> wrote:

### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 428 of 761 PageID 830

To clarify, Daniel and I have the discretion to present new fine recommendations to the Producer Enforcement Group, if the circumstances are

Your fine proposal is a drastic departure from the initial fine amount the Group approved. During our settlement negotiations, HPIH has not  $presented\ information\ sufficient\ to\ justify\ the\ requested\ fine\ decrease.\ In\ addition,\ the\ fine\ proposal\ is\ unreasonable\ in\ light\ of\ the\ OlC's\ findings\ and\ presented\ fine\ decrease.$ authority. Because of this, Daniel and I will not present the fine offer to the Group. The OIC is hopeful that HPIH can come back with a settlement offer that is more conducive towards resolving this matter

If you would like to discuss further, please feel free to contact us.

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Tuesday, December 10, 2019 11:49 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov

Cc: Jacobs. Daniel (OIC) < Daniel J@oic.wa.gov>; Levin. Alan < Alan.Levin@lockelord.com>; McKenna. Rob < rmckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for the information. HPIH has provided the below offer which we are authorized to provide and requested it be submitted to the Producer Enforcement Group.

On Dec 10, 2019, at 1:28 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> wrote:

In addition, in light of the unreasonable fine proposal, the OIC will not be sending a final proposed consent order tomorrow. We will await your response

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

**Sent:** Tuesday, December 10, 2019 11:17 AM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Sofia and I will not be presenting this amount to the Producer Enforcement Group tomorrow, as neither of us can support recommending the adoption of this fine.

#### **Daniel Jacobs**

Protecting Insurance Consumers

Insurance Consumer Hotline 1.800.562.6900 www.insurance.wa.gov | twitter.com/WA\_OIC | wainsura

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Tuesday, December 10, 2019 11:04 AM

To: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Daniel and Sofia.

I am authorized to present the following on behalf of Health Plan Intermediaries Holdings (HPIH):

\$200,000 fine

HPIH would also be willing to consider:

• Not commencing the sale of short term medical policies for a period to be agreed without prior consent of the Commissioner.

• Consider an element of suspended fine amount if the amount paid up front is \$200,000.

• A grace period of three months prior to imposing any suspended fine amount to correct any perceived existing violations.

Thank you. Best Regards

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov> Sent: Tuesday, December 10, 2019 10:53 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>> Subject: RE: Meeting Dates

Tim:

I just got your voicemail about the timing for the proposed fine amount. Sofia and I will need that by the close of business today to give us adequate time to present it tomorrow Sincerely,

#### **Daniel Jacobs**

### Protecting Insurance Consumers

Insurance Consumer Hotline 1.800.562.6900

rance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 9, 2019 2:26 PM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Meeting Dates

Thanks again for speaking with us regarding the proposed consent order for HPIH. We have provided some changes and language in the attached. HPIH is still working on the revised fine proposal and we hope to be able to provide that to you soon.

Thanks again for your consideration and please do not hesitate to let us know if you have any questions. Best Regards.

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, November 26, 2019 6:18 PM

To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Let's do 10:30.

Hope everyone enjoys a happy and restful Thanksgiving,

Sincerely,

**Daniel Jacobs** 

tegai Ayans Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.775.7764

**Protecting Insurance Consumers** 

Insurance Consumer Hotline 1.800.562.6900
www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

 $How about \ Wednesday, \ December \ 4^{th}, \ from \ 8:30-9:30 \ am \ PT \ or \ Wednesday, \ December \ 4^{th}, \ from \ 10:30-11:30 \ am \ PT? \ Rob, \ Alan \ and \ Alan \ and \ Alan \ and \ Alan \ and \ Alan \ Alan$ me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in number. Thanks again.

Sent: Tuesday, November 26, 2019 5:25 PM

To: 'Pasarow, Sofia (OIC)' <SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times

Best Regards,

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Mr. Farber,

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday, December 5, 2019, from 8:30am to

Please let me know if there is a date and time that works best for you and others who wish to attend the conference call.

Sofia Pasarow

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and Daniel.

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Link: https://lockelord.box.com/s/ifl2ggggr67dx1dubwmaggymlrgosifx

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

Sincerely.

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Sent: Thursday, October 31, 2019 3:45 PM To: Farber, Tim < TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Thank you for the prompt response and update. We look forward to hearing from you next week

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>: Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in the email of tresponse to the information request and we will provide you the track changes to the consent order and accompanying information by

Thanks again and please do not hesitate to let us know if you have any questions.

Sincerely,

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> Sent: Wednesday, October 30, 2019 1:22 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes.

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further questions Sincerely,

Insurance Enforcement Specialist

Legal Affairs Division

Sofia Pasarow

Washington State Office of the Insurance Commissioner

360-725-7181 (office) SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the update. We will look forward to hearing from you soon

Please let us know if you have additional questions.

Sincerely,

Sofia Pasarow

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. As an update additional documents were provided by Stephanie Ferrell at the OIC on Friday and she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards.

Tim Farber

Locke Lord LLP 111 South Wacker Drive

Chicago, IL 60606

(312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>

Sent: Monday, October 14, 2019 2:00 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:
That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed

that there would be track change edits to the consent order we would be talking about this Wednesday We look forward to speaking further on Wednesday,

Sincerely,

**Daniel Jacobs** 

onsumer Hotline 1.800.562.6900

ce.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, October 14, 2019 11:30 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we

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could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before
marking up the order. Please let us know if that is O.K.
Tim
From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>
Sent: Monday, October 14, 2019 1:25 PM
To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>
Subject: RE: Meeting Dates
 To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.
Sincerely,
                Daniel Jacobs
Protecting Insurance Consumers
Insurance Consumer Hotline 1.800.562.6900
            ice.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 10:07 AM
To: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>
Subject: RE: Meeting Dates
Daniel.
Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well
 as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in
Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.
Tim
From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>
Sent: Friday, October 11, 2019 11:00 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <Alan.Levin@lockelord.com>
        Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST.
         Toll Free
         +1-855-929-3239
         Access Code: 800 323 796
         We look forward to speaking further then,
         Sincerely,
                         Daniel Jacobs
        Protecting Insurance Consumers
         Insurance Consumer Hotline 1.800.562.6900
www.insurance.wa.gov | twitter.com/WA OIC | wainsurance.blogspot.com | email/text alerts
                 From: Farber, Tim [mailto:TFarber@lockelord.com]
                 Sent: Friday, October 11, 2019 8:36 AM
                 To: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
                 Cc: Levin, Alan < Alan.Levin@lockelord.com>
                 Subject: RE: Meeting Dates
                 Great, thanks.
                 Tim
                 From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
                 Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
                 Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
                 Subject: RE: Meeting Dates
                 That sounds great. I will have someone in our office arrange for a conference call number for you to call into on
                 Wednesday.
                 Sincerely,
                                  Daniel Jacobs
                                  Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
                 Protecting Insurance Consumers
                  Insurance Consumer Hotline 1.800.562.6900
                  www.insurance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
                          From: Farber, Tim [mailto:TFarber@lockelord.com]
                          Sent: Friday, October 11, 2019 3:14 AM
                          To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
                          Subject: RE: Meeting Dates
                          Daniel.
                          Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.
                          Best Regards,
                          Tim
                          From: Farber, Tim
                          Sent: Thursday, October 10, 2019 2:39 PM
                          To: 'Jacobs, Daniel (OIC)' < <a href="mailto:Daniell@oic.wa.gov">Daniell@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
                          Cc: Levin, Alan <Alan.Levin@lockelord.com>
                          Subject: RE: Meeting Dates
                          Thanks for the email Daniel. I will confirm with you soon
                          From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov
                          Sent: Thursday, October 10, 2019 1:44 PM
                          To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
                          Cc: Levin, Alan <Alan.Levin@lockelord.com>
                          Subject: RE: Meeting Dates
                                   Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal
                                  argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are
```

proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and

to allow us to speak about this sooner than an in-person meeting might allow Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October  $16^{\mathrm{th}}$  and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday,

Please let us know if any of these times work for you,

Sincerely,

#### **Daniel Jacobs**

#### **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900 www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Thursday, October 10, 2019 7:19 AM

To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel @ oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Sofia,

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks.

HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim Farber

Locke Lord LLP

111 South Wacker Drive

Chicago, IL 60606 (312) 443-0532 Direct

tfarber@lockelord.com

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Wednesday, October 9, 2019 10:47 AM

To: Farber, Tim < TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Thank you for the update. Please email a short paragraph describing the purposes for the meeting After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com] **Sent:** Tuesday, October 8, 2019 10:57 AM

To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Cc: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Sofia,

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

-Tim Farber (Locke Lord LLP)

-Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance) -Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting.

Please feel free to let me know if you have any questions. Thanks.

Best,

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Sent: Friday, October 4, 2019 5:47 PM

To: Farber, Tim < TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>

Subject: Meeting Dates

Tim.

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for you client and provide a list of HII attendees. Daniel and I will then pick a time that works with our

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting.

Please feel free to email me if you have any questions.

Sincerely.

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 434 of 761 PageID 836

Pasarow, Sofia (OIC)

To: Cc: Farber, Tim; Jacobs, Daniel (OIC); Levin, Alan McKenna, Rob

Subject: RE: Update

Thursday, December 12, 2019 5:22:00 PM Date:

Attach image003.png image004.png

Hello all,

In addition, I have included Kelly Cairns contact information below. Thank you for meeting today and discussing the matter.

Please let us know if you have additional questions.

**Kelly Cairns** 

OIC Information Governance Manager

(360) 725-7003

KellyC@oic.wa.gov

Sincerely,



COMMISSIONER

#### **Sofia Pasarow**

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Thursday, December 12, 2019 5:14 PM

To: Jacobs, Daniel (OIC); Levin, Alan; Pasarow, Sofia (OIC)

Cc: McKenna, Rob Subject: RE: Update

Thanks

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Thursday, December 12, 2019 7:00 PM

To: Levin, Alan <a href="Alan.Levin@lockelord.com">">"> Farber, Tim <a href="TFarber@lockelord.com">"> Farber@lockelord.com</a>; Farber@lockelord.co

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Pursuant to our phone call earlier today, here is the letter from Medical Security Card Company I was referring to.

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division ы адииз Бимын Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Levin, Alan [mailto:Alan.Levin@lockelord.com]

Sent: Thursday, December 12, 2019 11:45 AM

 $\textbf{To:} \ Farber, \ Tim < \underline{TFarber@lockelord.com} >; \ Pasarow, \ Sofia (OIC) < \underline{SofiaP@oic.wa.gov} >; \ Jacobs, \ Daniel (OIC) < \underline{Daniel J@oic.wa.gov} >; \ Pasarow, \ Pasa$ 

Cc: McKenna. Rob <rmckenna@orrick.com>

Subject: RE: Update

Tim, I may not be able to make it but know you will able handle without me. Best regards.

Alan J. Levin Partner

Locke Lord LLP

Brookfield Place, 200 Vesey Street

New York, NY 10281

T: 212-415-8600 D: 212-912-2777

20 Church Street, 20th Floor Hartford, CT 06103

T: 860-525-5065 D: 860-541-7747

F: 860-527-4198 alan.levin@lockelord.com

Executive Assistant: Megan S. Powell, CP

D: 860-541-7779

megan.powell@lockelord.com View My <u>BIO</u> I Connect on <u>LinkedIn</u> I Visit <u>InsureReinsure Blog</u> Visit <u>lockelord.com</u>

## Think Outside The Boilerplate





## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 435 of 761 PageID 837

From: Farber, Tim < TFarber@lockelord.com>
Sent: Thursday, December 12, 2019 2:09 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Yes, that time works. I can send out a calendar invite for 3:30 pm PST. Thanks.

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Sent: Thursday, December 12, 2019 12:56 PM

To: Farber, Tim <a href="TFarber@lockelord.com">TFarber@lockelord.com</a>; Jacobs, Daniel (OIC) <a href="Daniell@oic.wa.gov">Daniell@oic.wa.gov</a>>
Co: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>>

Subject: RE: Update

Tim

Are you free between 3:30pm and 4:00pm?

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 4:51 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Thanks Sofia and Daniel. We appreciate the opportunity for a call and please feel free to propose a time that works for you.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Sent: Wednesday, December 11, 2019 6:08 PM

To: Farber, Tim <\(\text{TFarber@lockelord.com}\); Jacobs, Daniel (OIC) <\(\text{Daniell@oic.wa.gov}\)> Cc: Levin, Alan <\(\text{Alan.Levin@lockelord.com}\); McKenna, Rob <\(\text{rmckenna@orrick.com}\)>

Subject: RE: Update

Tim,

Daniel and I presented the case at today's Producer Enforcement Group Meeting. The Group authorized a settlement offer fine of \$1,500,000. As discussed, the offer is extended until December 24, 2019.

Attached is the revised proposed consent order. We will consider one final round of proposed edits, if the proposed edits are limited, and made in a good faith effort to settle the case.

We would like to discuss the circumstances of the Consent Order disclosure with you tomorrow, if you are available for a phone call during the second half of the day.

Please let us know if you have any questions.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 9:54 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >
Co: Levin Alan Alan Levin @lockelord.com >: McKenna @orrick.com >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email Daniel and Sofia.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Sent: Wednesday, December 11, 2019 11:45 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim and Rob:

We are in receipt of your email and voicemails from earlier this morning. We will be presenting your offer later this morning to the Group, and are looking further into the circumstances of the Consent Order disclosure. We will send over the edited consent order language this afternoon. I don't know that we'll have time to call you back before the Group presentation this morning, but we will update you as soon as we have more information. Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Wednesday, December 11, 2019 8:53 AM

To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Sofia and Daniel. HPIH would like you to present its offer to the Group and appreciates you doing so. Please note that the language in the consent order is important and still needs to be agreed upon so we look forward to your draft. Also, HII is disappointed the confidential draft consent order provided on September 25th, 2019 was recently released and has been used by short sellers to already harm HII and its stock and believe that should be a mitigating factor for the amount of the fine.

Thanks.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, December 10, 2019 5:07 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

Sofia and I want to thank you for your continued good faith efforts at settlement negotiation, and given the movement that has been made,

Sofia and I will present the proposed fine amount of \$875,000 to the Producer Enforcement Group tomorrow.

Sofia and I will be recommending that the Group approve a counter-offer of \$1.25 million.

Should HII respond prior to the Group meeting tomorrow at 11 AM PST with a different number closer to what Sofia and I will be recommending, we will provide the Group with HII's updated proposal.

Please feel free to follow up with further questions, otherwise, we will update you after the Group has met,

Sincerely,



### **Daniel Jacobs**

Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264

danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 1:58 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for your email. HPIH has increased its fine amount to \$875,000. HPIH would like to see a draft order and continue to work out a resolution in good faith. Thanks.

On Dec 10, 2019, at 3:27 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov > wrote:

Tim,

To clarify, Daniel and I have the discretion to present new fine recommendations to the Producer Enforcement Group, if the circumstances are appropriate.

Your fine proposal is a drastic departure from the initial fine amount the Group approved. During our settlement negotiations, HPIH has not presented information sufficient to justify the requested fine decrease. In addition, the fine proposal is unreasonable in light of the OIC's findings and authority. Because of this, Daniel and I will not present the fine offer to the Group. The OIC is hopeful that HPIH can come back with a settlement offer that is more conducive towards resolving this matter

If you would like to discuss further, please feel free to contact us.

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, December 10, 2019 11:49 AM

Sent: Tuesday, December 10, 2019 11:49 Alvi

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

 $\textbf{Cc:} \ Jacobs, Daniel (OIC) < \underline{Daniel J@oic.wa.gov}; \ Levin, \ Alan < \underline{Alan.Levin@lockelord.com} >; \ McKenna, \ Rob < \underline{rmckenna@orrick.com} >; \ McKenna, \ McKe$ 

Subject: Re: Meeting Dates

Thank you for the information. HPIH has provided the below offer which we are authorized to provide and requested it be submitted to the Producer Enforcement Group.

On Dec 10, 2019, at 1:28 PM, Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > wrote:

Tim

In addition, in light of the unreasonable fine proposal, the OIC will not be sending a final proposed consent order tomorrow. We will await your response.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Tuesday, December 10, 2019 11:17 AM

To: Farber, Tim <\(\text{TFarber@lockelord.com}\); Pasarow, Sofia (OIC) <\(\text{SofiaP@oic.wa.gov}\)> Cc: Levin, Alan <\(\text{Alan.Levin@lockelord.com}\); McKenna, Rob <\(\text{rmckenna@orrick.com}\)>

Subject: RE: Meeting Dates

Tim:

Sofia and I will not be presenting this amount to the Producer Enforcement Group tomorrow, as neither of us can support recommending the adoption of this fine.

Sincerely.

## Daniel Jacobs

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 11:04 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Daniel and Sofia.

I am authorized to present the following on behalf of Health Plan Intermediaries Holdings (HPIH):

\$200,000 fine

HPIH would also be willing to consider:

- Not commencing the sale of short term medical policies for a period to be agreed without prior consent of the Commissioner.
- Consider an element of suspended fine amount if the amount paid up front is \$200,000.
- A grace period of three months prior to imposing any suspended fine amount to correct any perceived existing violations.

Thank you.

Best Regards,

Γim

From: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Sent: Tuesday, December 10, 2019 10:53 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

**Cc:** Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < mckenna@orrick.com >

Subject: RE: Meeting Dates

Tim:

I just got your voicemail about the timing for the proposed fine amount. Sofia and I will need that by the close of business today to give us adequate time to present it tomorrow, Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 9, 2019 2:26 PM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia.

Thanks again for speaking with us regarding the proposed consent order for HPIH. We have provided some changes and language in the attached. HPIH is still working on the revised fine proposal and we hope to be able to provide that to you soon.

Thanks again for your consideration and please do not hesitate to let us know if you have any questions.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Tuesday, November 26, 2019 6:18 PM

To: Farber, Tim <a href="TFarber@lockelord.com">TFarber@lockelord.com</a>; Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
Cc: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>>

Subject: RE: Meeting Dates

Tim:

Let's do 10:30,

Hope everyone enjoys a happy and restful Thanksgiving,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oie.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

How about Wednesday, December  $4^{th}$ , from 8:30-9:30 am PT or Wednesday, December  $4^{th}$ , from 10:30-11:30 am PT? Rob, Alan and me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in number. Thanks again.

Γim

From: Farber, Tim

Sent: Tuesday, November 26, 2019 5:25 PM

To: 'Pasarow, Sofia (OIC)' <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times.

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim <TFarber@lockelord.com>; Jacobs, Daniel (OIC) <Daniell@oic.wa.gov>

Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Meeting Dates

Mr. Farber,

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday,  $\,$ 

December 5, 2019, from 8:30am to 3:00pm.

Please let me know if there is a date and time that works best for you and others who wish to attend the conference call.

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 439 of 761 PageID 841

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna. Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and Daniel.

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Thanks.

Link: https://lockelord.box.com/s/ifl2gqgqr67dx1dubwmagqymlrgosjfx

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

Sincerely,

Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>
Sent: Thursday, October 31, 2019 3:45 PM
To: Farber, Tim < TFarber@lockelord.com>
Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Tim,

Thank you for the prompt response and update. We look forward to hearing from you next week.

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 $\textbf{From:} \ \mathsf{Farber}, \mathsf{Tim} \ [\underline{\mathsf{mailto:} \mathsf{TFarber@lockelord.com}}]$ 

Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in response to the information request and we will provide you the track changes to

the consent order and accompanying information by Nov. 8<sup>th</sup>.

Thanks again and please do not hesitate to let us know if you have any questions.

Sincerely,

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 30, 2019 1:22 PM

To: Farber, Tim <a href="TFarber@lockelord.com">TFarber@lockelord.com</a>; Jacobs, Daniel (OIC) <a href="Daniell@oic.wa.gov">Daniell@oic.wa.gov</a> Co: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; 'McKenna, Rob' <a href="Truckenna@orrick.com">Truckenna@orrick.com</a>>

Subject: RE: Meeting Dates

Tim,

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes.

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further questions.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < Daniell@oic.wa.gov > Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < Trackenna@orrick.com >

Subject: RE: Meeting Dates

Tim,

Thank you for the update. We will look forward to hearing from you soon.

Please let us know if you have additional questions. Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan < <u>Alan.Levin@lockelord.com</u>>; McKenna, Rob < <u>rmckenna@orrick.com</u>>

**Subject:** RE: Meeting Dates Daniel and Sofia,

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC . As an update additional documents were provided by Stephanie Ferrell at the OIC on Friday and she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible.

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and confirmed.

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards,

#### Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Monday, October 14, 2019 2:00 PM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: RE: Meeting Dates

Tim:

That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed that there would be track change edits to the consent order we would be talking about this Wednesday.

We look forward to speaking further on Wednesday,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Monday, October 14, 2019 11:30 AM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before marking up the order. Please let us know if that is O.K. Thanks.

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Monday, October 14, 2019 1:25 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 daniel il@oic.wa.gov

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 $\textbf{From:} \ \mathsf{Farber}. \mathsf{Tim} \ [\underline{\mathsf{mailto:}} \mathsf{TFarber}. \underline{\mathsf{@lockelord.com}}]$ 

Sent: Monday, October 14, 2019 10:07 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel.

Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.

lım

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Friday, October 11, 2019 11:00 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM

PST.

Toll Free

+1-855-929-3239 Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Friday, October 11, 2019 8:36 AM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Great, thanks.

From: Jacobs, Daniel (OIC) < Daniel @ oic.wa.gov>

Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

That sounds great. I will have someone in our office arrange for a conference call number for you to call into on Wednesday.

Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box. 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Daniel,

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards,

Tim

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

Γim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>
Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <Alan, Levin@lockelord.com>

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>. Please let us know if any of these times work for you, Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Diversion Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, October 10, 2019 7:19 AM
To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Sofia

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks.

HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 9, 2019 10:47 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Tim

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive. Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, October 8, 2019 10:57 AM

**To:** Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: Meeting Dates

Sofia,

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

-Tim Farber (Locke Lord LLP)

-Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)

-Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting . Please feel free to let me know if you have any questions. Thanks.

Best, Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Friday, October 4, 2019 5:47 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: Meeting Dates

Tim,

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting. Please feel free to email me if you have any questions.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

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 From:
 Jacobs, Daniel (OIC)

 To:
 Churchill, Harvey (OIC)

 Cc:
 Pasarow, Sofia (OIC)

 Subject:
 RE: HII and Agentra Cases

 Date:
 Tuesday, October 1, 2019 3:30:08 PM

Attachments: image002.png image003.png

The only ones from the memo that I don't see on here are PRAM, ACUSA and Gerber, otherwise they look good to me,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Churchill, Harvey (OIC)

Sent: Tuesday, October 1, 2019 3:25 PM

To: Lee, Brandon (OIC)

Cc: Pasarow, Sofia (OIC); Jacobs, Daniel (OIC)

Subject: RE: HII and Agentra Cases

Brandon,

Re: HII (Sophia, Daniel) you may have other thoughts?

Magna Munroe Allegation: Unauthorized insurer

ScripPal MSCC Allegation: Unauthorized discount medical provider National Congress of Employees Allegation: Unauthorized insurer

Ally RX Allegation: Unauthorized insurer

Med sense Guaranteed Association Allegation: Unauthorized discount medical provider CIGNA Dental Network Access Allegation: Unauthorized discount medical provider

GapAfford Plus Allegation: Unauthorized discount medical provider

Re: AWIS

First Continental Life and Accident Ins Co Allegation: Unauthorized insurer, previously authorized but was revoked.

National Association of Preferred Partners Allegation: Unauthorized insurer

Hawaii – Mainland Administrators Allegation: Unauthorized insurer WellDyne RX Allegation: Unauthorized discount medical provider My HealthPass Allegation: Unauthorized discount medical provider PHCS PPO Network Allegation: Unauthorized Discount medical provider

Providence Insurance Partners Allegation, unauthorized insurer

Agentra Allegation: Unauthorized insurer

Association Health Care Management Allegation: Unauthorized discount medical provider

There are 10 producer agencies that are not licensed in WA



## Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)

HarveyC@oic.wa.gov

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From: Lee, Brandon (OIC)

Sent: Tuesday, October 1, 2019 2:48 PM

**To:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>> **Cc:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>

Subject: FW: HII and Agentra Cases

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 445 of 761 PageID 847

Harv, when you get a chance, please provide a list of entities identified from HII and Agentra cases that still requires actions (either individual investigation or referral to Market Conduct), thank you.



Very Respectfully, **Brandon M. Lee, CFE** 

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax) BrandonL@oic.wa.gov

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From: Bullington, Jessica (OIC)

Sent: Monday, September 16, 2019 1:29 PM
To: Lee, Brandon (OIC) < BrandonL@oic.wa.gov>

**Subject:** RE: HII and Agentra Cases Entities from Agentra case:

Alliance for Consumers USA ("ACUSA") Allegation: Unauthorized insurer

First Continental Life and Accident Ins Co Allegation: Unauthorized insurer, previously authorized but

was revoked.

Rx Valet Allegation: Unauthorized insurer, product is a discount plan but entity not registered as a healthcare discount plan organization.

Midlands Allegation: Failure to comply with RCW 48.15, specifically diligent effort search.

American Healthcare Benefits Cooperative Allegation: Unauthorized MEWA

Data Partnership Group, LP Allegation: Unauthorized MEWA

Colonial Life & Accident Ins Co Allegation: Failure to file association products (Could be referred to

Market Conduct)

Boston Mutual Life Ins Co Investigation complete Transamerica Life Ins Co Investigation complete



## Jessica Bullington, MCM

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782

JessicaB@oic.wa.gov

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From: Lee, Brandon (OIC)

Sent: Monday, September 16, 2019 11:55 AM

To: Bullington, Jessica (OIC) < lessicaB@oic.wa.gov>

Subject: RE: HII and Agentra Cases

Thank you!



Very Respectfully,

## Brandon M. Lee, CFE

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)

BrandonL@oic.wa.gov

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From: Bullington, Jessica (OIC)

Sent: Monday, September 16, 2019 11:49 AM
To: Lee, Brandon (OIC) < <a href="mailto:BrandonL@oic.wa.gov">BrandonL@oic.wa.gov</a>>

Subject: RE: HII and Agentra Cases

All cases are closed: 1567074 Ian McAuslin 1591537 Agentra, LLC

1591538 Boston Mutual Life Ins Co 1591539 Transamerica Life Ins Co

1593742 Health Plan Intermediaries Holdings, LLC



## Jessica Bullington, MCM

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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From: Lee, Brandon (OIC)

Sent: Monday, September 16, 2019 11:45 AM

To: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>; Bullington, Jessica (OIC) < JessicaB@oic.wa.gov>; Bariekman, Jamie

(OIC) < <u>JamieB@oic.wa.gov</u>> **Subject:** HII and Agentra Cases

Good morning,

When you get a chance, please send me a list of both "HII and Agentra" related cases you have closed in the past, and currently working on.

Thank you.



Very Respectfully,

## Brandon M. Lee, CFE

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)

BrandonL@oic.wa.gov

## **Protecting Insurance Consumers**

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Pace, Josh (OIC) on behalf of OIC Legal

To: <u>tfarber@lockelord.com</u>

Cc: <u>Jacobs, Daniel (OIC)</u>; <u>Pasarow, Sofia (OIC)</u>

Bcc: Mince, Mike (OIC)

**Subject:** Health Plan Intermediaries Holdings, LLC - Proposed Consent Order No. 19-0477

**Date:** Wednesday, September 25, 2019 8:25:00 AM

Attachments: 19-0477.pdf image001.png

Dear Mr. Farber.

Attached is a copy of the OIC's proposed Consent Order Levying a Fine No. 19-0477, along with a cover letter, regarding Health Plan Intermediaries Holdings, LLC. Hard copies of these have been mailed to you as well.

If you have any questions, you may contact Insurance Enforcement Specialist Daniel Jacobs at (360) 725-7264 or by email at <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>, or Insurance Enforcement Specialist Sofia Pasarow at (360) 725-7181 or <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>.

## Truly,



## **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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## Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900



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#### STATE OF WASHINGTON

MIKE KREIDLER



**OLYMPIA OFFICE:** INSURANCE BUILDING P.O. BOX 40255 OLYMPIA, WA 98504-0255 Phone: (360) 725-7000

# INSURANCE COMMISSIONER

September 25, 2019

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 tfarber@lockelord.com

> Health Plan Intermediaries Holdings, LLC Re:

Proposed Consent Order Levying a Fine - OIC Order No. 19-0477

Dear Mr. Farber:

The Office of the Insurance Commissioner has found that Health Plan Intermediaries Holdings, LLC ("HPIH") violated a provision of Washington State law. The violation(s) are detailed in the attachment to this letter. When a violation occurs, the Insurance Commissioner is granted the authority to take action. The action may include levying a fine and ordering an entity to cease and desist from insurance activity in Washington State.

We are offering HPIH an opportunity to settle this matter by signing the attached Consent Order and paying a fine. As part of this settlement, HPIH will admit its violation, pay the imposed fine, and agree to fully comply with all applicable laws of Washington State going forward.

The deadline to accept the settlement offer and pay the fine is October 25, 2019. Please refer to the instructions on the next page. Payment will not be accepted without the signed order. When we receive the signed order and fine payment, the Insurance Commissioner will execute the agreement and provide you with a validated copy of the settlement agreement for your records. If the settlement offer is not accepted by that date, it will be withdrawn.

Upon withdrawal of the settlement offer, the Insurance Commissioner may request a hearing to impose the fine. Alternatively, you may request a hearing yourself. If this matter results in a hearing, the Insurance Commissioner is not bound by this settlement offer and may seek a fine in the full amount warranted for your particular situation.

If you have any questions regarding this matter, Daniel Jacobs can be reached at (360) 725-7264 or by email at DanielJ@oic,wa.gov and Sofia Pasarow can be reached at (360) 725-7181 or SofiaP@oic.wa.gov.

Sincerely.

Daniel Jacobs Insurar Insurance Enforcement Specialist

Legal Affairs Division

Enclosure: Consent Order

Insurance Enforcement Specialist

Legal Affairs Division

Health Plan Intermediaries Holdings, LLC September 25, 2019 Page 2

## How do I accept this time-limited settlement offer?

By October 25, 2019, you must:

- 1. Sign the attached settlement order. The settlement order is called a <u>Consent Order</u> because you are agreeing or consenting to the terms of the agreement.
- 2. Pay the fine amount indicated in the order by check or money order. Make the check or money order payable to WA Office of Insurance Commissioner.
- 3. Mail the signed order with your payment to:

Office of the Insurance Commissioner
Attn: Fiscal
PO Box 40255
Olympia, WA 98504-0255
Office of the Insurance Commissioner
Attn: Fiscal
5000 Capitol Blvd SE
Tumwater, WA 98501

Payment will <u>not</u> be accepted without the signed order. When we receive your signed order and fine payment, the Insurance Commissioner will execute the agreement and provide you with a validated copy of the settlement agreement for your records. If the settlement offer is not accepted by the date given, it will be withdrawn.

## How do I request an administrative hearing?

By December 24, 2019, you must fill out and sign the Demand for Hearing form online at the following location:

## https://www.insurance.wa.gov/how-file-demand-hearing

Your Demand for Hearing can be in a separate document, but the completed Demand for Hearing form must <u>also</u> be filed along with your written demand.

- 1. If you would like to also provide a written request for an administrative hearing, your written request should include:
  - A brief statement of how you are harmed by the commissioner's proposed action.
  - A statement of the outcome you seek.
  - Your contact information: name, mailing address, email address, and phone number.
  - A copy of the commissioner's proposed order you are challenging.

Although not required, it would be helpful if you also included the following information in your written request for a hearing:

- A statement identifying the facts in the <u>Consent Order</u> you disagree with or believe are inaccurate, and why you think so.
- A statement identifying any additional facts or information you want the Insurance Commissioner to consider.
- 2. Mail your written request to:

Office of the Insurance Commissioner ATTN: Hearings Unit PO Box 40255 Olympia, WA 98504-0255

For more information about the hearings process, please visit: <a href="http://www.insurance.wa.gov/about-administrative-hearings">http://www.insurance.wa.gov/about-administrative-hearings</a>

# STATE OF WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

Order No. 19-0477

HEALTH PLAN INTERMEDIARIES HOLDINGS, LLC,

WAOIC No. 813017 FEIN 46-0580972

Licensee.

CONSENT ORDER LEVYING A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.15.020, RCW 48.17.530, RCW 48.17.560, RCW 48.155.130, RCW 48.30.010, and Health Plan Intermediaries Holdings, LLC. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

## **BASIS:**

- 1. Health Plan Intermediaries Holdings, LLC ("the Licensee" or "HPIH") is a nonresident insurance producer licensed in the state of Washington since July 18, 2012.
- 2. HPIH's website describes itself as a market leading cloud-based technology platform and distributor of health insurance products.
- 3. According to HPIH's website, HPIH assists in the development of insurance products through relationships with insurance companies. HPIH also provides access to insurance products via a network of licensed insurance agents, HPIH's call center network, and HPIH's exclusive online platform.
- 4. The Insurance Commissioner conducted an investigation and gathered information from HPIH, several insurance carriers, numerous insurance producers, and other entities. Some of these entities are not licensed as required in the state of Washington to conduct insurance business.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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State of Washington Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255

LA - 1593742 - 1

- 5. The Insurance Commissioner also reviewed billing records from a sample of hundreds of Washington consumers that purchased insurance products from HPIH.
- 6. From January 1, 2016, through October 1, 2018, HPIH sold 34,351 short-term medical, limited medical, and ancillary insurance products to Washington consumers.
- 7. HPIH collected \$24,445,341.38 from Washington consumers, remitting \$18,199,431.32 to insurance carriers and other entities as follows:

Total Collected	\$24,445,341.38	
Total Remitted	\$18,199,431.42	
Difference	\$ 6,245,909.96	

- 8. GapAfford Plus ("GapAfford") is a package of various discount programs administered by AccessOne Consumer Health ("AccessOne").
- 9. GapAfford was bundled by HPIH with other discount programs and sold to Washington consumers as part of an association membership in the National Congress of Employees ("NCE").
- 10. AccessOne is not licensed to act as a health care discount plan organization ("DPO") in Washington.
  - 11. NCE is not licensed to act as a DPO in Washington.
- 12. The NCE Discount Benefit Program Member Handbook, provided by HPIH to consumers upon enrollment, states that GapAfford is not available in Washington.
- 13. Between January 1, 2016, and October 10, 2018, HPIH sold 3,286 GapAfford plans to Washington consumers and collected \$346,644.48 in premium and \$69,240 in administrative fees.
- 14. ScripPal, a prescriptions savings program administered by Medical Security Card Company, LLC ("MSC"), was bundled by HPIH with other discount programs, and sold as part of the NCE membership and other consumer association memberships.
  - 15. MSC is not licensed to act as a DPO in Washington.
- 16. HPIH produced a sales script which refers to ScripPal and states "[a]s part of your membership, you will also receive a discount pharmacy and medical savings card."
- 17. HPIH asserts that Washington consumers were not charged for ScripPal, and that ScripPal was provided to Washington consumers at no cost.

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- 18. In 2016 and 2017, HPIH collected \$1,199,792.50 from 17,225 Washington consumers for association membership. Such association membership included participation in ScripPal.
- 19. HPIH has not provided any documentation which segregates the amount of money collected for ScripPal participation from the amount of money collected for the other discount programs provided to Washington consumers.
- 20. Ally RX, is an insurance product administered by dataRx, which offered \$10.00 copays for generic prescriptions and \$30 co-pays for mail order, up to a maximum monthly benefit of \$200 per individual or \$400 per family.
- 21. Ally RX was bundled by HPIH with various discount programs, and sold as part of association membership in Alliance for Consumers USA, Inc. ("ACUSA"), another consumer association.
- 22. HPIH provided documentation to the Insurance Commissioner indicating that Ally RX was previously administered by PRAM Insurance Services, Inc. ("PRAM").
  - 23. dataRX is not licensed to act as a DPO or as an insurer in Washington.
  - 24. ACUSA is not licensed to act as a DPO or as an insurer in Washington.
  - 25. PRAM is not licensed to act as a DPO or as an insurer in Washington.
- 26. HPIH produced a sales script that states "[y]ou understand that you have also agreed to purchase Ally Rx plan, with Pharmacy Benefits provided by dataRX, for a monthly cost of ...".
- 27. HPIH produced a sales script that states Ally RX is not available for sale in Washington.
- 28. Between January 1, 2016 and October 1, 2018, HPIH sold Ally RX to 547 Washington consumers and collected \$102,213.97 in premiums and \$27,834 in administrative fees.
- 29. Foundation Dental is a dental plan product underwritten by Nationwide Casualty Company ("Nationwide"), and offered through membership in MedSense Guaranteed Association ("MedSense").
- 30. HPIH produced a sales script that includes a disclaimer stating that Foundation Dental is not available for sale in Washington.

- 31. In correspondence with the Insurance Commissioner, Nationwide reported that Foundation Dental was sold to 23 Washington residents, but no policies were issued to these consumers. HPIH remitted \$2,471.01 in premium to Nationwide and received \$395.36 in commission.
- 32. Foundation Dental was not filed with, nor approved by, the Insurance Commissioner, as required under Washington insurance law.
- 33. When Nationwide discovered that Foundation Dental was sold in Washington, Nationwide contacted each of the enrollees, informed them of the need for cancellation, and that they would be receiving full refunds.
- 34. HPIH acknowledges that Foundation Dental was illegally sold in Washington, and provided full refunds to the 23 Washington consumers.
- 35. Cigna Dental Network Access ("Cigna Dental Network") is a discount dental plan, marketed and sold by HPIH, through a contract with Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company ("Cigna"), and Cigna Dental Health, Incorporated. Between 2016 and 2019, Cigna reported that HPIH sold Cigna Dental Network to 25 Washington consumers and collected \$1,024.80.
  - 36. Cigna Dental Health, Incorporated is not licensed to act as a DPO in Washington.
- 37. HPIH acted as an agent of three (3) insurance carriers without becoming appointed. HPIH was never appointed to Unified Life Insurance Company ("Unified"), Gerber Life Insurance Company ("Gerber"), or Cigna. HPIH sold 104 insurance policies on behalf of these three (3) carriers and collected \$236,027.18 in premium.
- 38. From the beginning of 2016 through October 1, 2018, more than three-quarters (75.5%) of HPIH's sales to Washington consumers were by 434 insurance producers not properly affiliated with HPIH at the time of sale. Such sales constituted 25,945 insurance transactions.
- 39. Prior to February 2018, HPIH had a single affiliated insurance producer. Between February 2018 and July 2019, HPIH affiliated approximately 200 insurance producers.
- 40. From the data collected from 219 Washington consumers, the Insurance Commissioner determined that 134 consumer accounts (60%) paid monthly net premiums inconsistent with records provided by insurance carriers.

- 41. Of the 134 Washington consumers with identified premium discrepancies, 98 were charged more per HPIH's records than per the insurance carrier's records. Thirty-six (36) Washington consumers were charged less per HPIH's records than per the insurance carrier's records.
- 42. From the data collected from 219 Washington consumers, the Insurance Commissioner determined that 127 (58%) did not contain documentation showing that the fees charged to consumers were disclosed to those consumers, as required by RCW 48.17.270(3)-(5).
- 43. In correspondence with the Insurance Commissioner, HPIH stated that it conducts business in Washington under the following doing business as names ("DBA"): Health Insurance Innovations, AgileHealthInsurance, and MyBenefitsKeeper.
  - 44. HPIH has not registered MyBenefitsKeeper in Washington as a DBA name.
- 45. RCW 48.01.030 states that the business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. Upon the insurer, the insured, their providers, and their representatives rests the duty of preserving inviolate the integrity of insurance.
- 46. RCW 48.15.020(2)(a) states that a person may not, in this state, represent an unauthorized insurer except as provided in this chapter.
- 47. RCW 48.15.020(3) states that each violation of subsection (2) of this section constitutes a separate offense punishable by a fine of not more than twenty-five thousand dollars, and the Insurance Commissioner, at the Insurance Commissioner's discretion, may order replacement of policies improperly placed with an unauthorized insurer with policies issued by an authorized insurer. Violations may result in suspension or revocation of a license.
- 48. RCW 48.155.020(1) states that before conducting discount plan business to which this chapter applies, a person must obtain a license from the Insurance Commissioner to operate as a discount plan organization.
- 49. RCW 48.155.130(1)(b) states that whenever the Insurance Commissioner has cause to believe that any person is violating or is about to violate any provision of this chapter or any rules adopted under this chapter or any order of the Insurance Commissioner, the Insurance Commissioner may after hearing or with the consent of the discount plan organization and in addition to or in lieu of the suspension, revocation, or refusal to renew any license, impose a

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monetary penalty of not less than one hundred dollars for each violation and not more than ten thousand dollars for each violation.

- 50. RCW 48.155.130(2) states that a person that willfully operates as or aids and abets another operating as a discount plan organization in violation of RCW 48.155.020(1) commits insurance fraud and is subject to RCW 48.15.020 and 48.15.023, as if the unlicensed discount plan organization were an unauthorized insurer, and the fees, dues, charges, or other consideration collected from the members by the unlicensed discount plan organization or marketer were insurance premiums.
- 51. RCW 48.17.067(1) states any insurance producer soliciting, negotiating, or procuring an application for insurance or health care services in this state must make a good faith effort to determine whether the entity that is issuing the coverage is authorized to transact insurance or health coverage in this state.
- 52. RCW 48.17.160(1) states an insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.
- 53. WAC 284-17-473 states that individual licensees that represent a business entity or act on its behalf must be affiliated with the licensed business entity. A business entity must have at least one affiliated individual licensee in order to transact insurance business. Each business entity must provide the Insurance Commissioner with the names of all individual licensees authorized to represent the business entity and act on its behalf by electronic submission and pay the applicable fees.
- 54. RCW 48.18.170 defines "premium" as used in this code as all sums charged, received, or deposited as consideration for an insurance contract or the continuance thereof. "Premium" does not include a regulatory surcharge imposed by RCW 48.02.190, except as otherwise provided in this section. Any assessment, or any "membership," "policy," "survey," "inspection," "service" or similar fee or charge made by the insurer in consideration for an insurance contract is deemed part of the premium.
- 55. RCW 48.30.190(2) states no person shall wilfully collect as premium for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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- 56. RCW 48.17.180 states that an insurance producer doing business under any name other than the insurance producer's legal name is required to register the name in accordance with chapter 19.80 RCW and notify the Insurance Commissioner before using the assumed name.
- 57. RCW 48.17.270(3)(a)-(b) states [i]f the compensation received by an insurance producer who is dealing directly with the insured includes a fee, for each policy, the insurance producer must disclose in writing to the insured [t]he full amount of the fee paid by the insured and the full amount of any commission paid to the insurance producer by the insurer, if one is received.
- 58. RCW 48.17.270(4) states [w]ritten disclosure of compensation as required by subsection (3) of this section shall be provided by the insurance producer to the insured prior to the sale of the policy.
- 59. RCW 48.17.270(5) states [w]ritten disclosure as required by subsection (3) of this section must be signed by the insurance producer and the insured, and the writing must be retained by the insurance producer for five years. For the purposes of this section, written disclosure means the insured's written consent obtained prior to the insured's purchase of insurance. In the case of a purchase over the telephone or by electronic means for which written consent cannot be reasonably obtained, consent documented by the insurance producer shall be acceptable.
- 60. WAC 284-17-625 states RCW 48.17.270(5) provides that when insurance is purchased over the telephone or by electronic means for which written consent under RCW 48.17.270(3) cannot be reasonably obtained, consent documented by the insurance producer is acceptable in lieu of the signed written disclosure required by RCW 48.17.270 (3), (4), and (5).
- 61. WAC 284-17-625(1) states that documentation confirming the consent of the applicant or insured after communication of the information required by RCW 48.17.270(3) is acceptable under RCW 48.17.270(5) if:
  - (a) The insurance producer sends to the applicant or insured written confirmation of the disclosure;
  - (b) The written confirmation is sent no later than ten business days after the telephone or electronic purchase; and
  - (c) A copy of the confirmation is retained by the insurance producer.
- 62. WAC 284-17-625(2) states that [i]n addition, consent documented by a recording that meets the standards of RCW 9.73.030 is acceptable under RCW 48.17.270(5). The recording must be made and maintained in a retrievable format.

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- 63. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner.
- 64. RCW 48.17.530(1)(g) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for having admitted or been found to have committed any insurance unfair trade practice or fraud.
- 65. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license, or to levy a civil penalty in accordance with RCW 48.17.560, for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.
- 66. RCW 48.17.560 provides after hearing or upon stipulation by the licensee, and in addition to or in lieu of the suspension, revocation, or refusal to renew any such license, the Insurance Commissioner may levy a fine upon the licensee, for each offense, in an amount not more than one thousand dollars.
- 67. By selling unauthorized discount medical plans to Washington consumers, the Licensee violated RCW 48.155.020(1), RCW 48.17.067, RCW 48.15.020(2)(a), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.155.130(1)(b), RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. By selling an unauthorized insurance product to Washington consumers, the Licensee violated RCW 48.17.067, RCW 48.15.020(2)(a), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.15.020(3), RCW 48.17.530(1)(b) and RCW 48.17.560. By selling insurance products on behalf of insurance carriers without being appointed, the Licensee violated RCW 48.17.160(1) and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By selling insurance to thousands of Washington consumers through insurance producers not affiliated with the Licensee, the Licensee violated WAC 284-17-473 and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By collecting premiums in excess of the amount remitted to carriers, the Licensee violated RCW 48.30.190(2), RCW

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48.17.530(1)(g), and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By failing to properly disclose fees and commissions earned by insurance producers, and failing to retain documents of any such disclosure, the Licensee violated RCW 48.17.270(3), RCW 48.17.270(4), RCW 48.17.270(5), WAC 284-17-625, and RCW 48.17.530(1)(h), justifying the imposition of a fine under RCW 48.17.530(1)(b) and RCW 48.17.560. By failing to register a name under which is does business (DBA), the Licensee violated RCW 48.17.180, justifying the imposition of a fine under RCW 48.17.530(1)(b), and RCW 48.17.560.

## **CONSENT TO ORDER:**

The Insurance Commissioner of the state of Washington and the Licensee agree the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Licensee consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Licensee's payment of a fine, and upon such terms and conditions as are set forth below:

- 1. The Licensee acknowledges its duty to comply fully with the applicable laws of the state of Washington.
- 2. The Licensee consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
- 3. By agreement of the parties, the Insurance Commissioner will impose a fine of Two Million Dollars (\$2,000,000.00) to be paid by **October 25, 2019**.
- 4. The Licensee understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.
- 5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

CONSENT ORDER LEVYING A FINE ORDER NO. 19-0477

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Cas	e 3:21-cv-01542-S-BK Document	18-2	Filed 08/09/21	L Page 459 of 761 PageID 861		
	EXECUTED this day of _			, 2019.		
		HEA	ALTH PLAN INT	ERMEDIARIES HOLDINGS, LLC		
	Signature:					
	Printed Name:					
	Printed Corporate Title:					
	AGREED ORDER:					
	Pursuant to the foregoing fac	ctual B	asis and Consent	to Order, the Insurance Commissioner		
	of the state of Washington hereby Orders as follows:					
1. The Licensee shall pay a fine in the amount of Two Million Dolla						
	(\$2,000,000.00), receipt of which is					
	• • • • • • • • • • • • • • • • • • • •					
2. This Order and the violations set forth herein constitute admissible evidence may be considered in any future action by the Insurance Commissioner involving the Licen						
						However, the facts of this Order, and any provision, finding, or conclusion contained herein
	not, and is not intended to, determine any factual or legal issue or have any preclusive or collate					
	estoppel effects in any lawsuit by any party other than the Insurance Commissioner.					
	ENTERED this day of			, 2019.		
	Mile Krieble					
	MIKE KREIDLER			4		
	Insurance Commissioner					
	By and through his designees					
	DANIEL JACOBS		SOFIA	PASAROW		
	Insurance Enforcement Specialist			nce Enforcement Specialist		
	Legal Affairs Division		Legal A	Affairs Division		
	CONSENT ORDER LEVYING A FINE		10	State of Washington		
	ORDER NO. 19-0477			Office of the Insurance Commissioner PO Box 40255		
	LA - 1593742 - 1			Olympia, WA 98504-0255		

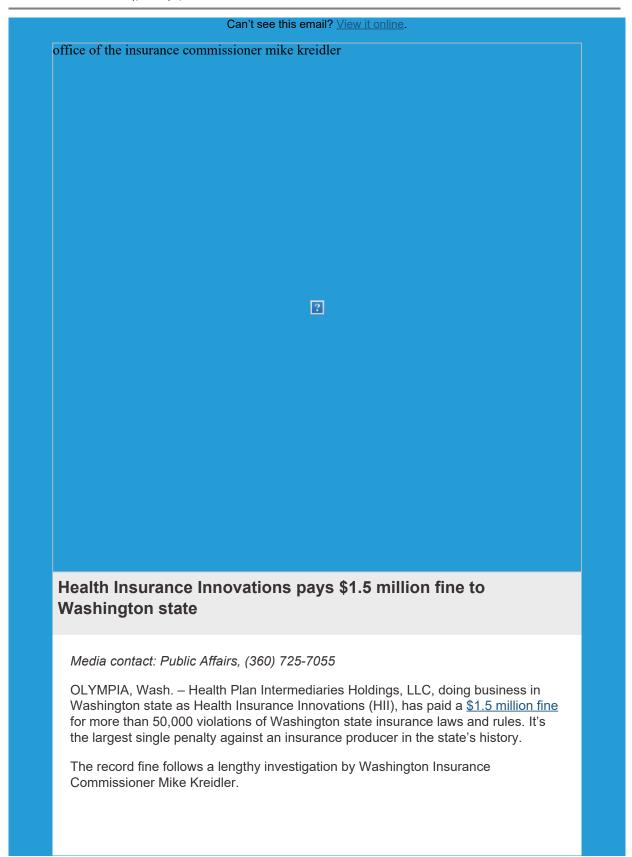
LA - 1593742 - 1

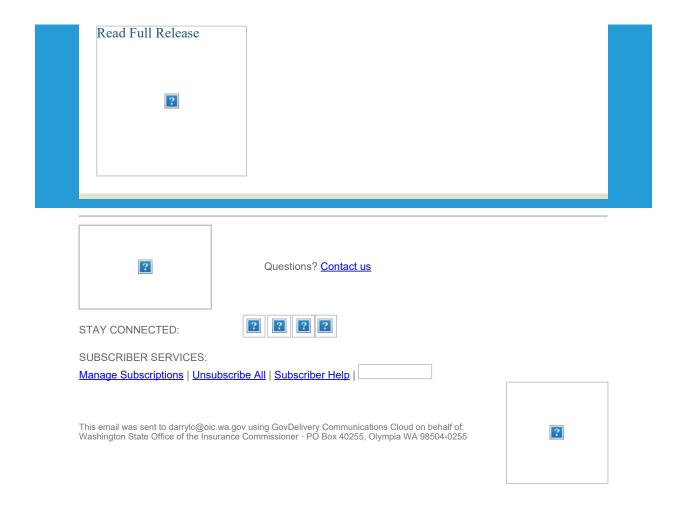
From: WA OIC

To: <u>Colman, Darryl (OIC)</u>

**Subject:** Health Insurance Innovations pays \$1.5 million fine to Washington state

**Date:** Thursday, January 2, 2020 10:28:42 AM





From: Bowen, Barb (OIC)

To: <u>Hood, Toni (OIC)</u>; <u>Pasarow, Sofia (OIC)</u>

Cc: OIC DL Legal

Subject: RE: OIC/HII: Final Language to Consent Order

Date: Tuesday, December 24, 2019 2:04:53 PM

## Office support will let us know when the check comes in $\ensuremath{\mathfrak{G}}$

Barb

From: Hood, Toni (OIC)

Sent: Tuesday, December 24, 2019 2:02 PM

**To:** Pasarow, Sofia (OIC) **Cc:** OIC DL Legal

Subject: Re: OIC/HII: Final Language to Consent Order

Great job Harvey, Sofia, Daniel! I am so proud of you and the whole team!

Sent from my iPhone

On Dec 24, 2019, at 1:19 PM, Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > wrote:

#### Hello all,

Good news team, HII signed the order today and has agreed to pay the fine by 12/31/19. Thank you for all the help and assistance with this case. This was a group effort by the division and I think an outcome we can be very proud of.

Please let Daniel and I know if you have any questions.

And more importantly, happy holidays!

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

**From:** Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Tuesday, December 24, 2019 11:55 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: 'McKenna, Rob' < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Sofia and Daniel,

Attached please find HPIH's executed signature page to the final consent order Sofia sent yesterday afternoon.

Thanks again for all of your assistance and have a wonderful holiday.

Best Regards,

Tim

From: McKenna, Rob

To: Whitmer, Steven; Jacobs, Daniel (OIC)
Cc: Pasarow, Sofia (OIC); Farber, Tim; Levin, Alan

Subject: RE: OIC/HII: Follow Up

**Date:** Monday, December 23, 2019 8:42:38 AM

Thanks, Daniel and Sofia. Talk to you then.

Steve, Alan and Tim – Will one of you send a dial-in or would you like me to do so?

From: Whitmer, Steven

Sent: Monday, December 23, 2019 8:39 AM

To: Jacobs, Daniel (OIC)

Cc: Pasarow, Sofia (OIC); McKenna, Rob; Farber, Tim; Levin, Alan

Subject: Re: OIC/HII: Follow Up

Yes. Thanks.

Sent from my iPhone

On Dec 23, 2019, at 10:21 AM, Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> wrote:

Steven:

Sofia and I are free to speak at 10 AM PST. Would that work? Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danielj@oic.wa.gov

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**From:** Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Monday, December 23, 2019 7:49 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC)

<SofiaP@oic.wa.gov>

**Cc:** McKenna, Rob < <u>rmckenna@orrick.com</u>>; Farber, Tim

<<u>TFarber@lockelord.com</u>>; Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

**Subject:** OIC/HII: Follow Up

Daniel and Sofia,

We are writing to follow up on our Friday call. Attached is a redline showing the changes OIC proposed to HII on Friday, and here are HII's comments:

- HII is agreeable to OIC's following changes:
  - o Paragraphs 6, 13, 17, 27 and 38;
  - o The middle of Paragraph 64;
  - o The third paragraph of the Consent to Order section; and
  - o The first paragraph of the Agreed Order section.
- HII is not agreeable to OIC's following changes:

- o The first sentence of Paragraph 64;
- o Deletion of Paragraph 65; and
- o Deletion of second sentence of Paragraph 4 of the Consent to Order section.

With respect to the changes to which HII is not agreeable, the language HII requested is extremely important to its institutional shareholders—we are therefore hopeful that OIC can make that language work so we can get this deal cemented today. Please let us know when you are available this morning for a call and we will circulate an invite. Thanks.

Regards, Steve Steven T. Whitmer Partner

#### Locke Lord LLP

111 South Wacker Drive Chicago, IL 60606 T: 312-443-1869 F: 312-896-6569 swhitmer@lockelord.com www.lockelord.com

<~WRD000.ipg>

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 From:
 Pasarow, Sofia (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 RE: OIC/HII: Follow Up

**Date:** Monday, December 23, 2019 8:05:35 AM

#### Daniel.

If you are free, could you please call me once you have reviewed the order and their recent email? Sincerely.

Sofia Pasarow

**Insurance Enforcement Specialist** 

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office) SofiaP@oic.wa.gov

**From:** Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Monday, December 23, 2019 7:49 AM **To:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC) **Cc:** McKenna, Rob; Farber, Tim; Levin, Alan

Subject: OIC/HII: Follow Up

Daniel and Sofia,

We are writing to follow up on our Friday call. Attached is a redline showing the changes OIC proposed to HII on Friday, and here are HII's comments:

- HII is agreeable to OIC's following changes:
  - o Paragraphs 6, 13, 17, 27 and 38;
  - o The middle of Paragraph 64;
  - o The third paragraph of the Consent to Order section; and
  - o The first paragraph of the Agreed Order section.
- HII is not agreeable to OIC's following changes:
  - The first sentence of Paragraph 64;
  - Deletion of Paragraph 65; and
  - Deletion of second sentence of Paragraph 4 of the Consent to Order section.

With respect to the changes to which HII is not agreeable, the language HII requested is extremely important to its institutional shareholders—we are therefore hopeful that OIC can make that language work so we can get this deal cemented today. Please let us know when you are available this morning for a call and we will circulate an invite. Thanks.

Regards, Steve

Steven T. Whitmer

Partner

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swhitmer@lockelord.com

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## Ferrell, Stephanie (OIC)

**Subject:** HII referrals

**Location:** OIC FA 5000 Conference Room CR-119

**Start:** Thu 8/29/2019 10:30 AM **End:** Thu 8/29/2019 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Organizer:** Robbins, Tyler (OIC)

**Required Attendees**Pasarow, Sofia (OIC); Jacobs, Daniel (OIC) **Resources:** OIC FA 5000 Conference Room CR-119

# Ferrell, Stephanie (OIC)

**Subject:** HII Order revisions **Location:** Sofia's Cubicle

**Start:** Thu 6/6/2019 10:00 AM **End:** Thu 6/6/2019 10:30 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Organizer:** Jacobs, Daniel (OIC) **Required Attendees**Pasarow, Sofia (OIC)

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 469 of 761 PageID 871

From: Robbins, Tyler (OIC)

To: <u>Churchill, Harvey (OIC)</u>; <u>Bullington, Jessica (OIC)</u>

Subject: HII

The meeting likely won't take 2 hours.

 From:
 Steele, Gynger

 To:
 Jacobs, Daniel (OIC)

 Subject:
 RE: New cases

**Date:** Thursday, November 8, 2018 11:15:27 AM

Sounds good – thanks for the communication!

## **Gynger Steele**

**Operations Manager** 

Legal Affairs

Washington State Office of the Insurance Commissioner

PO Box 40255, Olympia WA 98504-0255

MS-40255 (360)725-7179

From: Jacobs, Daniel (OIC)

Sent: Thursday, November 8, 2018 11:09 AM

**To:** Steele, Gynger **Subject:** RE: New cases

Thanks for the heads up! I've been meaning to email you about some entity correction, some of the HII cases should have different named entities, and I should have that you by the end of the week!

Daniel

From: Steele, Gynger

**Sent:** Thursday, November 8, 2018 10:55 AM **To:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Subject: New cases

Hi Daniel,

Just a heads up – I will be assigned a few more cases to you today when I have a moment.

## **Gynger Steele**

Operations Manager

Legal Affairs

Washington State Office of the Insurance Commissioner

PO Box 40255, Olympia WA 98504-0255

MS-40255 (360)725-7179 From: <u>Jacobs, Daniel (OIC)</u>

To: Pace, Josh (OIC); Pasarow, Sofia (OIC)

Cc: Tribe, Christine (OIC)

Subject: RE: HPIH - 1593742 - Case Closure Request

Date: Thursday, February 20, 2020 8:40:00 AM

Attachments: image003.png image004.png

#### Josh:

I've completed all these tasks on my end, Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Pace, Josh (OIC)

**Sent:** Thursday, February 20, 2020 8:31 AM **To:** Pasarow, Sofia (OIC); Jacobs, Daniel (OIC)

Cc: Tribe, Christine (OIC)

Subject: HPIH - 1593742 - Case Closure Request

Sofia and Daniel,

Now that you have notified me that this case can be closed, please complete the closing process as outlined below, and let me know when the S:\Drive file is ready for deletion.

- Update SIMBA activity logs (if necessary)
- Review documents in S:\Drive folder, and delete unnecessary documents
- If applicable, review documents on the P:\Drive, and move those that need saved to S:\Drive folder, or delete
- Identify documents that need to be added to SIMBA and move to the "Add to SIMBA" folder
- Move Briefs that need to be saved to the "Brief" folder (for Hearings cases, if necessary)
- Move documents that should be saved as a template for future use to the "Templates" folder (if necessary)
- Delete Outlook Tasks and Reminders



#### Josh Pace

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 472 of 761 PageID 874

From: <u>Valandra, Steve (OIC)</u>

To: Marquis, Stephanie (OIC); Klotz, Kara (OIC); Walker, Laura (OIC); Wells, Donna (OIC)

Cc: Murphy, Sandra (OIC); Hamilton, Hailey (OIC)

Subject: No communications meeting Friday

Date: Thursday, January 2, 2020 3:40:00 PM

Attachments: <u>image001.png</u>

I will be out on Friday, so no communications meeting. If you have a topic you think I should mention at the issues meeting with the commissioner on Monday, please send me a note.

This is what I plan to bring up on Monday:

- Jesse Jones will broadcast his story Jan. 9 about the Earl Dennis case (we hope)
- KUOW may do follow-up stories on HII and Aliera. Depends on whether two
  consumers are willing to talk to the reporter. I spoke with the reporter today
  about HII and followed up with some other details. I worked in the Aliera scam,
  as well.
- I'm working on a short news release we could run next week about the interim report on the behavioral grant study.
- Will find out if the commissioner wants to attend the Florida Insurance Summit in March on P&C issues. Commissioners from South Carolina and Connecticut are confirmed. The Florida commissioner is also expected to participate.



## **Steve Valandra**

Deputy Commissioner for Public Affairs and Tribal Liaison Washington State Office of the Insurance Commissioner 360.725.7052 / 360.789.5127 (cell) steveva@oic.wa.gov

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 From:
 Valandra, Steve (OIC)

 To:
 "anna@kuow.org"

 Subject:
 Following up on HII

**Date:** Thursday, January 2, 2020 2:41:00 PM

Attachments: <u>image001.png</u>

## Anna,

Following up on our conversation today:

- Reimbursement of premiums paid were not part of the settlement with HII except for sales of dental policies to 23 consumers in the state. These were sold by Foundation Dental, a plan that is not authorized for sale in Washington.
- HII sold over 34,000 short-term medical policies in Washington from January 2016 through Oct. 1, 2018. These policies were sold by unauthorized agents and brokers. Short-term medical policies offer no protection for a pre-existing medical condition.
- During the same period, HII permitted almost 26,000 sales of other policies to Washington consumers through 434 broker/agents who were not affiliated with the company as required by state insurance law. These policies were mostly for a variety of discounts for prescription medicines.
- Overall, HII violated eight state insurance laws.
- NY Times article today on concerns about healthcare sharing ministries. The story has a link to <u>a news release</u> we issued this week about Trinity Healthcare, the company that was <u>aligned with Aliera</u>. We are seeking a \$1 million fine for Aliera. The company is disputing our authority.
- OIC investigation report of Aliera.

We have left messages for the two people I mentioned. One, who looks like a Cle Elum resident, filed a complaint with our office noting \$350,000 of bills unpaid by an HII policy because of a pre-existing condition denial.

The other, a West Seattle resident, had several thousand dollars in unpaid bills through an Aliera policy.



## Steve Valandra

Deputy Commissioner for Public Affairs and Tribal Liaison Washington State Office of the Insurance Commissioner 360.725.7052 / 360.789.5127 (cell) steveva@oic.wa.gov

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 From:
 Jacobs, Daniel (OIC)

 To:
 Klotz, Kara (OIC)

Subject: RE: quick reporter question re: HII order Date: Thursday, January 2, 2020 10:43:00 AM

Attachments: <u>image002.png</u> <u>image003.png</u>

I would assume so, but yeah, that's more a question for licensing unfortunately,



## **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

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From: Klotz, Kara (OIC)

Sent: Thursday, January 2, 2020 10:43 AM

To: Jacobs, Daniel (OIC)

**Subject:** quick reporter question re: HII order

Hi Daniel.

I can't get a hold of anyone in licensing so I'm hoping you will know the answer to this. Will the HII order <a href="https://fortress.wa.gov/oic/consumertoolkit/Orders/OrderProfile.aspx?">https://fortress.wa.gov/oic/consumertoolkit/Orders/OrderProfile.aspx?</a>
<a href="https://fortress.wa.gov/oic/consumertoolkit/Orders/Order-Profile.aspx">https://fortress.wa.gov/oic/consumertoolkit/Orders/Order-Profile.aspx</a>
<a href="https://fortress.wa.gov/oic/consumertoolkit/Orders/Order-Profile.aspx">https://fortress.wa.gov/oic/consumertoolkit/Orders/Order-Profile.aspx</a>
<a href="https://fortress.wa.gov/oic/consumertoolkit/Orders/Order-Profile.aspx">https://fortress.wa.gov/oic/consumertoolkit/Orders/Order-Profile.aspx</a>
<a href="https://fortress.wa.gov/oic/consumertoolkit/Order-Profile.aspx">https://fortress



## Kara Klotz

Social Media Manager, Public Affairs Washington state Office of the Insurance Commissioner 360.725.7053 o | 360.451.3435 m Pronouns: she, her

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 475 of 761 PageID 877

From: <u>Jacobs, Daniel (OIC)</u>

To: Klotz, Kara (OIC); Pasarow, Sofia (OIC)

Subject: RE: HII news release being published today

Date: Thursday, January 2, 2020 10:00:00 AM

Attachments: image004.png image006.png

image006.png image007.png

## Will do,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Klotz, Kara (OIC)

Sent: Thursday, January 2, 2020 9:52 AM

**To:** Pasarow, Sofia (OIC) **Cc:** Jacobs, Daniel (OIC)

Subject: RE: HII news release being published today

Daniel and Sofia,

Please take a look at the final HII news release.

Also, please let me know ASAP when the order is posted on the website. Any status update on that?

Thank you!

## **Kara Klotz**

360 725 7053



From: Pasarow, Sofia (OIC)

Sent: Thursday, January 2, 2020 9:16 AM
To: Klotz, Kara (OIC) < <a href="mailto:KaraK@oic.wa.gov">KaraK@oic.wa.gov</a>
Cc: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>
Subject: RE: HII news release being published today

Kara,

Our edits are complete and we included some comments. Let us know if you have questions. Please send us the final revised draft before it goes out.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Thursday, January 2, 2020 9:06 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: HII news release being published today

Importance: High

Update: we've decided to publish the release today given that two media outlets have already covered it and a third has inquired about it. Please review the final draft release as soon as you can so I can publish it. Thank you!!

**Kara Klotz** 360.725.7053



From: Klotz, Kara (OIC)

Sent: Thursday, January 2, 2020 8:55 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: HII news release

**Importance:** High Hi Sofia and Daniel,

Just a reminder that I need you to complete your review on the final draft of the news release around noon today. Thanks!

# Kara Klotz 360.725.7053

From: Klotz, Kara (OIC)

Sent: Monday, December 30, 2019 2:58 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: HII news release

Sofia and Daniel,

Here is the <u>final draft of the HII news release</u> for Jan. 3. Please review and return your comments to me by mid-day on Jan. 2. Thanks for your help!

## Kara Klotz

360 725 7053



From: Klotz, Kara (OIC)

Sent: Monday, December 30, 2019 1:19 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: HII news release

Daniel and Sofia,

We are publishing the HII news release Jan. 3, if we receive payment and the order is posted by then. I reviewed your edits and have a few questions. Can one of you call me when you have a chance? After we talk, I'll give you the final draft to review.

Thanks.



## Kara Klotz

Social Media Manager, Public Affairs Washington state Office of the Insurance Commissioner 360.725.7053 o | 360.451.3435 m Pronouns: she, her

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 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 RE: OIC/HII: Follow Up

**Date:** Tuesday, December 31, 2019 12:08:00 PM

Attachments: image002.png image003.png

#### Looks perfect to me!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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From: Pasarow, Sofia (OIC)

Sent: Tuesday, December 31, 2019 12:07 PM

**To:** Jacobs, Daniel (OIC) **Subject:** RE: OIC/HII: Follow Up

Daniel,

What do you think about the following response?

Mr. Whitmer,

Thank you for providing your request in writing. As you noted, OIC's standard practice includes making press releases regarding enforcement actions. In addition, once a consent order is executed, it also becomes accessible to the public on OIC's website.

While OIC understands HII's position, the agency has decided to issue a press release once the fine payment has been received and the consent order has been executed.

If you would like to discuss further, please feel free to contact me.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Tuesday, December 31, 2019 5:46 AM

**To:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>> **Cc:** Levin, Alan < <u>Alan.Levin@lockelord.com</u>>; Farber, Tim < <u>TFarber@lockelord.com</u>>

Subject: OIC/HII: Follow Up

Daniel,

Following up on our recent call, Health Plan Intermediaries Holdings, LLC ("HII") respectfully requests that OIC delay issuing its press release concerning the parties' consent order until February 1, 2020. We are pleased the parties were able to work together to resolve this matter before the end of the year. For business reasons, however, it is important to HII that the announcement of this settlement be deferred for at least 30 days. While we understand that it's OIC's standard practice to issue press releases concerning settlements, we do not believe OIC would be prejudiced by delaying the announcement—yet at the same time, the 30 day delay would provide considerable assistance to HII. We thank OIC for its consideration of this request.

Regards, Steve Steven T. Whitmer Partner Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 T: 312-443-1869 F: 312-896-6569 swhitmer@lockelord.com www.lockelord.com



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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 479 of 761 PageID 881

From: <u>Jacobs, Daniel (OIC)</u>

To: Valore, Ross (OIC): Hood, Toni (OIC)

Subject: RE: HII Subpoena & Envelope - Attached

Date: Monday, December 30, 2019 3:18:00 PM

Attachments: image001.png image002.png

Just got off the phone with Suzanne. She said she's going to, at the very least, object to the expected timeline, and likely the breadth. She also mentioned that the rule seems to contemplate personal service, but she's going to start working on that when she's back in the office on Thursday and will reach out to the lawyer also, see if they want to just do a PDR and get all of this stuff that way,

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Valore, Ross (OIC)

Sent: Monday, December 30, 2019 1:09 PM
To: Jacobs, Daniel (OIC); Hood, Toni (OIC)
Subject: RE: HII Subpoena & Envelope - Attached

Daniel.

I discussed with Toni, and the OIC is willing to provide documents, provided the OIC is given sufficient time to respond and determine what documents can be provided.

Thank you, Ross

From: Jacobs, Daniel (OIC)

Sent: Monday, December 30, 2019 12:24 PM

To: Hood, Toni (OIC) < ToniH@oic.wa.gov >; Valore, Ross (OIC) < RossV@oic.wa.gov >

Subject: FW: HII Subpoena & Envelope - Attached

FYI.

I talked to Suzanne at the AG's a little bit this morning, and we'll talk more later this week, but I was mostly filling her in on HII and how our investigation, the multistate investigation, and this lawsuit, intersect and don't intersect, I'll keep you posted,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Pace, Josh (OIC)

Sent: Friday, December 27, 2019 4:07 PM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>
Cc: Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>
Subject: HII Subpoena & Envelope - Attached



## Josh Pace

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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From: Jacobs, Daniel (OIC) Klotz, Kara (OIC) To:

Subject: RE: PEG Final Recommendations 12.11.2019 Date: Monday, December 30, 2019 1:44:00 PM

Attachments: image003.png image005.png

Kara:

The numbers are still accurate.

By including "laws and rules" we cover RCW violations and WAC violations, and because a lot of the transactions are violations of both an RCW and a WAC, we're way over 50,000.

Let me know if you need anything else,

Thanks!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Klotz, Kara (OIC)

Sent: Monday, December 30, 2019 1:27 PM

To: Jacobs, Daniel (OIC)

Subject: FW: PEG Final Recommendations\_12.11.2019

Here's the link. Kara Klotz



From: Klotz, Kara (OIC)

Sent: Thursday, December 19, 2019 11:03 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: PEG Final Recommendations 12.11.2019

Sofia and Daniel,

Please take a look at the draft HII news release, located here (same folder as the draft consent order to make it easier for

The date is still tentative based on when they sign and pay the fine and when we get it posted.

Thanks!

## Kara Klotz



From: Pasarow, Sofia (OIC)

Sent: Thursday, December 19, 2019 8:00 AM

To: Klotz, Kara (OIC) < KaraK@oic.wa.gov>; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: PEG Final Recommendations\_12.11.2019

Thank you for the update. We will assist with language. Please let us know if you have any questions.

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov



From: Klotz, Kara (OIC)

Sent: Wednesday, December 18, 2019 2:56 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: PEG Final Recommendations 12.11.2019

FYI that I am working on the draft news release and I'm likely going to need a lot of help from you both as this one is very complex. I'll send a draft no later than tomorrow.

#### Kara Klotz

360 725 7053



From: Pasarow, Sofia (OIC)

Sent: Thursday, December 12, 2019 2:12 PM

To: Klotz, Kara (OIC) < <a href="mailto:KaraK@oic.wa.gov">KaraK@oic.wa.gov</a>; Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>

Subject: RE: PEG Final Recommendations\_12.11.2019

Kara,

Sorry about that. Here is a link that should work: <u>P:\TRANSFER\Legal Affairs\Sofia Pasarow\Revised Final Consent Order 12.11.19 sent to Public Affairs.DOCX</u>



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Thursday, December 12, 2019 2:10 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

**Subject:** RE: PEG Final Recommendations\_12.11.2019

Thanks for the link, Sofia. However, it doesn't work for me, it's likely a permissions issue.

## Kara Klotz



From: Pasarow, Sofia (OIC)

Sent: Thursday, December 12, 2019 1:48 PM

To: Klotz, Kara (OIC) < <a href="mailto:KaraK@oic.wa.gov">KaraK@oic.wa.gov">KaraK@oic.wa.gov</a>; Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>

**Subject:** RE: PEG Final Recommendations\_12.11.2019

(ara,

Here is the hyperlink to the proposed consent order we sent to HII yesterday. The order may change a bit as HII is likely to propose one last round of edits. We will let you know if the order is signed by the parties. In addition, we would like to review the draft news release.

Thank you for your assistance. Please let us know if you have any questions.

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\Drafts\Revised Final Consent Order 12.11.19.DOCX Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Thursday, December 12, 2019 1:01 PM

To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>

Subject: FW: PEG Final Recommendations 12.11.2019

Daniel and Sofia,

Please let me know when the HII order has been sent and please include a copy of the order so I can prepare a draft news release. Thank you.

## Kara Klotz

WA OIC

From: Bowen, Barb (OIC)

Sent: Wednesday, December 11, 2019 1:32 PM

To: Hood, Toni (OIC) < ToniH@oic.wa.gov>; Colman, Darryl (OIC) < DarrylC@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>; Valore, Ross (OIC) < RossV@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Baughman, Jeff (OIC) < SofiaP@oic.wa.gov>; Dixon, Todd (OIC) < ToddD@oic.wa.gov>; Valandra, Steve (OIC) < SteveVA@oic.wa.gov>; Robbins, Tyler (OIC) < TylerR@oic.wa.gov>

Cc: Tribe, Christine (OIC) < ChrisT@OIC.WA.GOV>; Krech, Dawn (OIC) < DawnK@oic.wa.gov>; Shoblom, Kimberly (OIC) < KimberlyS@oic.wa.gov>; Pace, Josh (OIC) < JoshuaP@oic.wa.gov>; Osberg, Randi (OIC) < RandiO@oic.wa.gov>; Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>; Marshall, Kathy (OIC) < KathyM@oic.wa.gov>; Klotz, Kara (OIC) < KaraK@oic.wa.gov>; Mince, Mike (OIC) < MikeM@oic.wa.gov>; Lee, Brandon (OIC) < Brandon L@oic.wa.gov>

Subject: PEG Final Recommendations\_12.11.2019

Good afternoon,

Please see the attached final recommendations from today's Producer Enforcement Group meeting. Thank you,



## **Barb Bowen**

Administrative Assistant to Toni Hood Legal Affairs Division Washington State Office of the Insurance Commissioner 360.725.7130

BarbB@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Osberg, Randi (OIC)

To: Pasarow, Sofia (OIC); Jacobs, Daniel (OIC)

Subject: RE: OIC/HII: Final Language to Consent Order

Date: Friday, December 27, 2019 9:07:41 AM

Attachments: image001.png

Strong work you two! You both should be very proud of this outcome. You are forever a huge part of the largest fine we have received from a producer. Very cool! Nice job!



## Randi Osberg

randio@oic.wa.gov

Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7231 (office)

From: Pasarow, Sofia (OIC)

Sent: Tuesday, December 24, 2019 1:20 PM

To: OIC DL Legal

Subject: FW: OIC/HII: Final Language to Consent Order

Hello all.

Good news team, HII signed the order today and has agreed to pay the fine by 12/31/19. Thank you for all the help and assistance with this case. This was a group effort by the division and I think an outcome we can be very proud of.

Please let Daniel and I know if you have any questions.

And more importantly, happy holidays!

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, December 24, 2019 11:55 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: 'McKenna, Rob' < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Sofia and Daniel,

Attached please find HPIH's executed signature page to the final consent order Sofia sent yesterday afternoon. Thanks again for all of your assistance and have a wonderful holiday.

Best Regards,

Tim

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 484 of 761 PageID 886

From: Farber, Tim
To: Pasarow, Sofia (OIC)

Subject: RE: OIC/HII: Final Language to Consent Order

Date: Thursday, December 26, 2019 8:56:10 AM

Attachments: image001.png

#### Thanks!

From: Pasarow, Sofia (OIC)

Sent: Thursday, December 26, 2019 10:51 AM

To: Farber, Tim; Jacobs, Daniel (OIC)

Cc: 'McKenna, Rob'; Levin, Alan; Tribe, Christine (OIC); Whitmer, Steven; Tribe, Christine (OIC)

Subject: RE: OIC/HII: Final Language to Consent Order

Tim.

Yes, the check should be sent to the same contact and address below.

Sincerely, Sofia Pasarow

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, December 26, 2019 8:23 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: 'McKenna, Rob' < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Tribe, Christine (OIC) <<u>ChrisT@OIC.WA.GOV</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Thanks Sofia. Should the check be sent to the same contact and street address below?

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Sent: Thursday, December 26, 2019 9:57 AM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: 'McKenna, Rob' < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Tribe, Christine (OIC) <<u>ChrisT@OIC.WA.GOV</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Tim,

Unfortunately, OIC does not have wire/ACH options. Here is the street address you may use:

Office of the Insurance Commissioner

Attn: Legal/Fiscal 5000 Capitol Blvd SE Tumwater, WA 98501

Please let me know if you have any other questions.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, December 26, 2019 3:53 AM

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 485 of 761 PageID 887

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: 'McKenna, Rob' <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>; Levin, Alan <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Sofia,

In addition to wire/ACH transfer options, is there a street address we can send the signed order to as opposed to a P.O.

Box so FedEx/UPS could be utilized? Thanks.

Tim

From: Farber, Tim

Sent: Wednesday, December 25, 2019 9:47 PM

To: 'Pasarow, Sofia (OIC)' <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: 'McKenna, Rob' <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>; Levin, Alan <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Thanks Sofia. Given the size of the check, HII would like to pay by wire transfer. Is that possible?

Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Sent: Tuesday, December 24, 2019 4:19 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

Cc: 'McKenna, Rob' < rmckenna@orrick.com>; Levin, Alan < Alan.Levin@lockelord.com>; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Tim,

Thank you for calling and asking for directions about the next steps. As discussed over the phone, please send the original signed order (the entire order, not just the signature page) to the following address:

Office of the Insurance Commissioner

Attn: Legal/Fiscal PO Box 40255

Olympia, WA 98504-0255

In addition, the check or money order should be payable to WA Office of Insurance Commissioner.

Daniel and I plan to sign and execute the consent order once we have received the fine payment.

Please let me know if you have any questions.

Thank you for your assistance and I hope you all have a happy holiday.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

**From:** Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 24, 2019 11:55 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: 'McKenna, Rob' <rmckenna@orrick.com>; Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Sofia and Daniel,

Attached please find HPIH's executed signature page to the final consent order Sofia sent yesterday afternoon. Thanks again for all of your assistance and have a wonderful holiday.

Best Regards,

Tim

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 486 of 761 PageID 888

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Sent: Monday, December 23, 2019 5:05 PM

**To:** Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Levin, Alan

<a href="mailto:</a><a href="mailto:Alan.Levin@lockelord.com"><a href="mailto:Alan.Levin@lockelord.com"><a href="mailto:ChrisT@OIC.WA.GOV"><a href="mailto:C

Subject: RE: OIC/HII: Final Language to Consent Order

Hello all,

Attached is the final proposed consent order. Our paralegal fixed the formatting and numbering, as well as made two minor changes:

Page 4, paragraph 39 – A comma was added after 2019

Page 6, paragraph 49, Last sentence -- "is" was changed to "it" "The Licensee accepts the Insurance Commissioner's finding that by failing to register a name under which **it** does business (DBA) with the Insurance Commissioner, the Licensee violated RCW 48.17.180, justifying the imposition of a fine under RCW 48.17.530(1)(b), and RCW 48.17.560." Please let us know if you have any questions.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Monday, December 23, 2019 12:31 PM

**To:** Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' < <u>rmckenna@orrick.com</u>>; Farber, Tim < <u>TFarber@lockelord.com</u>>; Levin, Alan

<<u>Alan.Levin@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Daniel and Sofia,

Thank you for working with us to bring this to conclusion. Attached is a clean Word version that is ready for formatting. We look forward to receiving the final PDF.

Regards, Steve

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>
Sent: Monday, December 23, 2019 2:19 PM

**To:** Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Levin, Alan

<<u>Alan.Levin@lockelord.com</u>>

Subject: RE: OIC/HII: HII's Proposed Final Language to Consent Order

Importance: High

Tim, Steven, Alan and Rob:

On behalf of the Insurance Commissioner, Sofia and I are happy to agree to these terms to resolve this matter.

Would you be able to send over a Microsoft Word document version of the most recent redline so the paralegal on our end can do the formatting and put the Insurance Commissioner's signature on it? We should be able to get the PDF order to sign out to you before COB today.

Good work everyone,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

<u>darricij@oic.wa.go</u>



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From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Monday, December 23, 2019 12:08 PM

**To:** Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' <rmckenna@orrick.com>; Farber, Tim <TFarber@lockelord.com>; Levin, Alan

<<u>Alan.Levin@lockelord.com</u>>

Subject: RE: OIC/HII: HII's Proposed Final Language to Consent Order

Daniel and Sofia,

Following up on call this morning, attached is a redline with HII's proposed changes to OIC's 12/20 draft of the consent order. Based on our discussion, we are hopeful we have a deal—but please confirm. Please note that, as discussed, we changed the payment date to December 31. Thank you.

Regards, Steve

From: Whitmer, Steven

Sent: Monday, December 23, 2019 9:49 AM

**To:** 'Jacobs, Daniel (OIC)' < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>> **Cc:** McKenna, Rob < <u>rmckenna@orrick.com</u>>; Farber, Tim < <u>TFarber@lockelord.com</u>>; Levin, Alan

<<u>Alan.Levin@lockelord.com</u>> **Subject:** OIC/HII: Follow Up

Daniel and Sofia,

We are writing to follow up on our Friday call. Attached is a redline showing the changes OIC proposed to HII on Friday, and here are HII's comments:

- HII is agreeable to OIC's following changes:
  - o Paragraphs 6, 13, 17, 27 and 38;
  - o The middle of Paragraph 64;
  - o The third paragraph of the Consent to Order section; and
  - o The first paragraph of the Agreed Order section.
- HII is not agreeable to OIC's following changes:
  - o The first sentence of Paragraph 64;
  - o Deletion of Paragraph 65; and
  - o Deletion of second sentence of Paragraph 4 of the Consent to Order section.

With respect to the changes to which HII is not agreeable, the language HII requested is extremely important to its institutional shareholders—we are therefore hopeful that OIC can make that language work so we can get this deal cemented today. Please let us know when you are available this morning for a call and we will circulate an invite.

Thanks.

Regards, Steve

Steven T. Whitmer

Partner

#### Locke Lord LLP

111 South Wacker Drive

Chicago, IL 60606

T: 312-443-1869

F: 312-896-6569

swhitmer@lockelord.com

www.lockelord.com

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 From:
 Klotz, Kara (OIC)

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

Subject: RE: OIC/HII: Final Language to Consent Order

Date: Tuesday, December 24, 2019 2:09:35 PM

Attachments: image002.png image003.png

Thank you both.

## Kara Klotz



From: Pasarow, Sofia (OIC)

Sent: Tuesday, December 24, 2019 1:39 PM

**To:** Klotz, Kara (OIC) **Cc:** Jacobs, Daniel (OIC)

Subject: FW: OIC/HII: Final Language to Consent Order

Kara,

HII signed the order and has agreed to pay the fine by 12/31/19. As discussed today, we will update you when we sign and execute the order.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

**From:** Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 24, 2019 11:55 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: 'McKenna, Rob' < rmckenna@orrick.com>; Levin, Alan < Alan.Levin@lockelord.com>; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

**Subject:** RE: OIC/HII: Final Language to Consent Order

Sofia and Daniel,

Attached please find HPIH's executed signature page to the final consent order Sofia sent yesterday afternoon. Thanks again for all of your assistance and have a wonderful holiday.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Sent: Monday, December 23, 2019 5:05 PM

**To:** Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Levin, Alan

<<u>Alan.Levin@lockelord.com</u>>; Tribe, Christine (OIC) <<u>ChrisT@OIC.WA.GOV</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Hello all,

Attached is the final proposed consent order. Our paralegal fixed the formatting and numbering, as well as made two minor changes:

Page 4, paragraph 39 – A comma was added after 2019

Page 6, paragraph 49, Last sentence -- "is" was changed to "it" "The Licensee accepts the Insurance Commissioner's finding that by failing to register a name under which <u>it</u> does business (DBA) with the Insurance Commissioner, the

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 490 of 761 PageID 892

Licensee violated RCW 48.17.180, justifying the imposition of a fine under RCW 48.17.530(1)(b), and RCW 48.17.560." Please let us know if you have any questions.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Monday, December 23, 2019 12:31 PM

**To:** Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' < <u>rmckenna@orrick.com</u>>; Farber, Tim < <u>TFarber@lockelord.com</u>>; Levin, Alan

<Alan.Levin@lockelord.com>

Subject: RE: OIC/HII: Final Language to Consent Order

Daniel and Sofia,

Thank you for working with us to bring this to conclusion. Attached is a clean Word version that is ready for formatting. We look forward to receiving the final PDF.

Regards, Steve

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> Sent: Monday, December 23, 2019 2:19 PM

**To:** Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Levin, Alan

<<u>Alan.Levin@lockelord.com</u>>

**Subject:** RE: OIC/HII: HII's Proposed Final Language to Consent Order

Importance: High

Tim, Steven, Alan and Rob:

On behalf of the Insurance Commissioner, Sofia and I are happy to agree to these terms to resolve this matter. Would you be able to send over a Microsoft Word document version of the most recent redline so the paralegal on our end can do the formatting and put the Insurance Commissioner's signature on it? We should be able to get the PDF order to sign out to you before COB today.

Good work everyone,

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Monday, December 23, 2019 12:08 PM

**To:** Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Levin, Alan

<Alan.Levin@lockelord.com>

Subject: RE: OIC/HII: HII's Proposed Final Language to Consent Order

Daniel and Sofia,

Following up on call this morning, attached is a redline with HII's proposed changes to OIC's 12/20 draft of the consent order. Based on our discussion, we are hopeful we have a deal—but please confirm. Please note that, as

discussed, we changed the payment date to December 31. Thank you.

Regards, Steve

From: Whitmer, Steven

Sent: Monday, December 23, 2019 9:49 AM

To: 'Jacobs, Daniel (OIC)' <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: McKenna, Rob <<u>rmckenna@orrick.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Levin, Alan

<<u>Alan.Levin@lockelord.com</u>> **Subject:** OIC/HII: Follow Up

Daniel and Sofia,

We are writing to follow up on our Friday call. Attached is a redline showing the changes OIC proposed to HII on Friday, and here are HII's comments:

- HII is agreeable to OIC's following changes:
  - o Paragraphs 6, 13, 17, 27 and 38;
  - o The middle of Paragraph 64;
  - o The third paragraph of the Consent to Order section; and
  - o The first paragraph of the Agreed Order section.
- HII is not agreeable to OIC's following changes:
  - o The first sentence of Paragraph 64;
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With respect to the changes to which HII is not agreeable, the language HII requested is extremely important to its institutional shareholders—we are therefore hopeful that OIC can make that language work so we can get this deal cemented today. Please let us know when you are available this morning for a call and we will circulate an invite.

Thanks.

Regards, Steve Steven T. Whitmer Partner

## Locke Lord LLP

111 South Wacker Drive Chicago, IL 60606 T: 312-443-1869 F: 312-896-6569 swhitmer@lockelord.com www.lockelord.com

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From: Bowen, Barb (OIC)

To: Pasarow, Sofia (OIC); OIC DL Legal

Subject: RE: OIC/HII: Final Language to Consent Order

Date: Tuesday, December 24, 2019 1:25:11 PM

Attachments: <u>image001.png</u>

#### This is great news! Nice work!!

From: Pasarow, Sofia (OIC)

Sent: Tuesday, December 24, 2019 1:20 PM

To: OIC DL Legal

Subject: FW: OIC/HII: Final Language to Consent Order

Hello all,

Good news team, HII signed the order today and has agreed to pay the fine by 12/31/19. Thank you for all the help and assistance with this case. This was a group effort by the division and I think an outcome we can be very proud of.

Please let Daniel and I know if you have any questions.

And more importantly, happy holidays!

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, December 24, 2019 11:55 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: 'McKenna, Rob' < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>; Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>

Subject: RE: OIC/HII: Final Language to Consent Order

Sofia and Daniel,

Attached please find HPIH's executed signature page to the final consent order Sofia sent yesterday afternoon. Thanks again for all of your assistance and have a wonderful holiday.

Best Regards,

Tim

 From:
 McKenna, Rob

 To:
 Jacobs, Daniel (OIC)

Cc: Whitmer, Steven; Pasarow, Sofia (OIC); Farber, Tim; Levin, Alan

Subject: Re: OIC/HII: HII"s Proposed Final Language to Consent Order

**Date:** Monday, December 23, 2019 4:13:20 PM

Attachments: <u>image001.png</u>

Thank you, Daniel and Sofia. Enjoy the holidays!

Rob

Sent from my iPhone

On Dec 23, 2019, at 12:19 PM, Jacobs, Daniel (OIC) wrote:

Tim, Steven, Alan and Rob:

On behalf of the Insurance Commissioner, Sofia and I are happy to agree to these terms to resolve this matter.

Would you be able to send over a Microsoft Word document version of the most recent redline so the paralegal on our end can do the formatting and put the Insurance Commissioner's signature on it? We should be able to get the PDF order to sign out to you before COB today.

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Sincerely,

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360-725-7264
danieli@oic.wa.gov

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**From:** Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Monday, December 23, 2019 12:08 PM **To:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC) **Cc:** 'McKenna, Rob'; Farber, Tim; Levin, Alan

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Regards, Steve

From: Whitmer, Steven

**Sent:** Monday, December 23, 2019 9:49 AM **To:** 'Jacobs, Daniel (OIC)'; Pasarow, Sofia (OIC) **Cc:** McKenna, Rob; Farber, Tim; Levin, Alan

Subject: OIC/HII: Follow Up

Daniel and Sofia,

We are writing to follow up on our Friday call. Attached is a redline showing the changes OIC proposed to HII on Friday, and here are HII's comments:

- <!--[if !supportLists]-->• <!--[endif]--><u>HII is agreeable to OIC's following changes</u>:
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Regards, Steve

Steven T. Whitmer

Partner

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F: 312-896-6569

swhitmer@lockelord.com

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 496 of 761 PageID 898

From: Farber, Tim

To: Pasarow, Sofia (OIC); Whitmer, Steven; Jacobs, Daniel (OIC)
Cc: "McKenna, Rob"; Levin, Alan; Tribe, Christine (OIC)
Subject: RE: OIC/HII: Final Language to Consent Order
Date: Monday, December 23, 2019 3:23:21 PM

Attachments: <u>image003.png</u> image004.png

#### Thanks Sofia.

Tim

From: Pasarow, Sofia (OIC)

**Sent:** Monday, December 23, 2019 5:05 PM **To:** Whitmer, Steven; Jacobs, Daniel (OIC)

Cc: 'McKenna, Rob'; Farber, Tim; Levin, Alan; Tribe, Christine (OIC)

Subject: RE: OIC/HII: Final Language to Consent Order

Hello all,

Attached is the final proposed consent order. Our paralegal fixed the formatting and numbering, as well as made two minor changes:

Page 4, paragraph 39 – A comma was added after 2019

Page 6, paragraph 49, Last sentence -- "is" was changed to "it" "The Licensee accepts the Insurance Commissioner's finding that by failing to register a name under which <u>it</u> does business (DBA) with the Insurance Commissioner, the Licensee violated RCW 48.17.180, justifying the imposition of a fine under RCW 48.17.530(1)(b), and RCW 48.17.560." Please let us know if you have any questions.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

**From:** Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Monday, December 23, 2019 12:31 PM

**To:** Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' < <u>rmckenna@orrick.com</u>>; Farber, Tim < <u>TFarber@lockelord.com</u>>; Levin, Alan

<Alan.Levin@lockelord.com>

Subject: RE: OIC/HII: Final Language to Consent Order

Daniel and Sofia,

Thank you for working with us to bring this to conclusion. Attached is a clean Word version that is ready for formatting. We look forward to receiving the final PDF.

Regards, Steve

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**To:** Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> **Cc:** 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Levin, Alan

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Importance: High

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## **Daniel Jacobs**

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Sent: Monday, December 23, 2019 9:49 AM

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Regards, Steve Steven T. Whitmer Partner

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From: Mince, Mike (OIC)
To: Jacobs, Daniel (OIC)

Subject: RE: updates on Healthy Paws/ACE

Date: RE: updates on Healthy Paws/ACE

Monday, December 23, 2019 2:46:00 PM

Attachments: image001.png image002.png

Great, Thanks Daniel! Enjoy your holiday.



## Mike Mince

Operations Manager, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7179 (office) mikem@ojc.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Monday, December 23, 2019 2:44 PM

To: Mince, Mike (OIC)

Subject: RE: updates on Healthy Paws/ACE

I didn't realize you weren't asking about HII until after I sent it:

- -Chubb is proposing to pay the fine in Feb, which I told them might be a problem for the hearing calendar, so we might postpone the charing dates, be the order won't be final until the fine is paid;
- We're figuring out when consumers are gonna get the 4.7m back, in relation to the rate increases

Hope that helps!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Mince, Mike (OIC)

Sent: Monday, December 23, 2019 2:42 PM
To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>
Subject: RE: updates on Healthy Paws/ACE
No worries at all. Thanks for the update!

v/r,



#### Mike Mince

Operations Manager, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7179 (office) mikem@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Monday, December 23, 2019 2:40 PM
To: Mince, Mike (OIC) < MikeM@oic.wa.gov>
Subject: RE: updates on Healthy Paws/ACE

Mike:

Both are settled,

Sofia and I agreed to terms with HII earlier today, Chris just needs to take the agreed terms and put the order into a PDF, Chubb is settling also, I'm just working with them on the timing,

I can fill you in with more details over the phone, or if you'd prefer little written blurbs, I can do that too, Just let me know,

Sorry I haven't been able to keep you updated, it's all been happening rather recently, On Cell (206) 778 5629



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Mince, Mike (OIC)

Sent: Monday, December 23, 2019 2:37 PM
To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>
Subject: updates on Healthy Paws/ACE

Daniel,

Do you have an updates on this case? Just so you know, the Commissioner is hot on this topic again.

I'm sure there will be a media release on this.

If you have any news on where we are and when we think it might close, please let me know.

Thanks,



## Mike Mince

Operations Manager, Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360.725.7179 (office)
mikem@oic.wa.gov

From: Tribe, Christine (OIC)
To: Jacobs, Daniel (OIC)

Subject: RE: OIC/HII: Final Language to Consent Order

Date: Monday, December 23, 2019 12:33:00 PM

Attachments: <u>image001.png</u>

## I'll do my best!

From: Jacobs, Daniel (OIC)

**Sent:** Monday, December 23, 2019 12:33 PM

**To:** Tribe, Christine (OIC) **Cc:** Pasarow, Sofia (OIC)

Subject: FW: OIC/HII: Final Language to Consent Order

Chris:

Would you be able to remove some of the wonky spacing issues and get this cleaned up and with the Commissioner's signature on it in PDF good to go mode?

Please feel free to email it directly to counsel at the email addresses below. Best just send it to all of them.

We're almost there!



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danieli@oic.wa.gov

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Regards, Steve Steven T. Whitmer Partner

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 504 of 761 PageID 906

 From:
 Pasarow, Sofia (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 RE: OIC/HII: Follow Up

**Date:** Monday, December 23, 2019 8:41:47 AM

Attachments: image001.png image002.png

Daniel, here is some proposed language. I am free to go over at 9.

Paragraph 64 if they do not want our language, the paragraph should start with: HPIH accepts the following findings in order to resolve this matter by entering into this Order.

Paragraph 65 – The parties have reached this settlement agreement in order to resolve this dispute without litigation. Keep next sentence.

Paragraph 4 – The signing of this Order resolves the violations identified in this Order; or

The signing of this Order resolves all issues known to the Insurance Commissioner through the date of the signing of the Order.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Monday, December 23, 2019 8:11 AM

**To:** Pasarow, Sofia (OIC) **Subject:** RE: OIC/HII: Follow Up

Yeah, I'm on my cell feel free to call back

206 778 5629



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danieli@oic.wa.gov

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From: Pasarow, Sofia (OIC)

**Sent:** Monday, December 23, 2019 8:06 AM **To:** Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>

Subject: RE: OIC/HII: Follow Up

Daniel,

If you are free, could you please call me once you have reviewed the order and their recent email?

Sincerely, Sofia Pasarow

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office) SofiaP@oic.wa.gov

From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Monday, December 23, 2019 7:49 AM

To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>
Cc: McKenna, Rob < <u>rmckenna@orrick.com</u>>; Farber, Tim < <u>TFarber@lockelord.com</u>>; Levin, Alan < <u>Alan.Levin@lockelord.com</u>>

Daniel and Sofia,

Subject: OIC/HII: Follow Up

We are writing to follow up on our Friday call. Attached is a redline showing the changes OIC proposed to HII on Friday, and here are HII's comments:

- HII is agreeable to OIC's following changes:
  - o Paragraphs 6, 13, 17, 27 and 38;
  - o The middle of Paragraph 64;
  - o The third paragraph of the Consent to Order section; and
  - o The first paragraph of the Agreed Order section.
- HII is not agreeable to OIC's following changes:
  - o The first sentence of Paragraph 64;
  - o Deletion of Paragraph 65; and
  - o Deletion of second sentence of Paragraph 4 of the Consent to Order section.

With respect to the changes to which HII is not agreeable, the language HII requested is extremely important to its institutional shareholders—we are therefore hopeful that OIC can make that language work so we can get this deal cemented today. Please let us know when you are available this morning for a call and we will circulate an invite.

Thanks.

Regards, Steve Steven T. Whitmer Partner

# Locke Lord LLP

111 South Wacker Drive Chicago, IL 60606 T: 312-443-1869 F: 312-896-6569 swhitmer@lockelord.com

www.lockelord.com



Atlanta | Austin | Boston | Brussels | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 506 of 761 PageID 908

 From:
 Klotz, Kara (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 Thanks for the HII update

**Date:** Monday, December 23, 2019 7:44:00 AM

Attachments: <u>image001.png</u>

# Daniel,

Thanks for your voicemail Friday re: the HII order. I let Steve know and we will plan on doing something in early January after we hear from you that the order is final.



# **Kara Klotz**

Social Media Manager, Public Affairs Washington state Office of the Insurance Commissioner 360.725.7053 o | 360.451.3435 m Pronouns: she, her

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Earber, Tim Pasarow, Soffa (OIC): Jacobs, Daniel (OIC); Whitmer, Steven McKenna, Rob: León, Alan RE: HII/OIC: Follow Up Friday, December 20, 2019 4:16:57 PM image:001.ong image:002.ong

Thanks again for our call today. HII is reviewing the latest changes and given the time and the review I expect us to get back to you by early Monday.

Thanks again and have a nice weekend.

From: Pasarow, Sofia (OIC)

Sent: Friday, December 20, 2019 4:33 PM To: Jacobs, Daniel (OIC); Whitmer, Steven Cc: McKenna, Rob : Levin, Alan : Farber, Tim Subject: RE: HII/OIC: Follow Up

Thank you again for meeting today to discuss the consent order. Daniel and I checked in with our office about the fine payment deadline.

The consent order must be signed by December 24, 2019, but we are authorized to set a fine payment deadline of December 31, 2019. We will add this deadline to the consent order

Please let us know if you have any further questions.



### Sofia Pasarow

SofiaP@oic.wa.gov

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

From: Jacobs, Daniel (OIC)

**Sent:** Friday, December 20, 2019 12:27 PM

To: Whitmer, Steven <SWhitmer@lockelord.com>

Cc: McKenna, Rob < rmckenna@orrick.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < TFarber@lockelord.com >

Subject: RE: HII/OIC: Follow Up

Steven:

Here are OIC's proposed edits.

Look forward to speaking in a few,

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Object Office of the Insurance Commissioner Working State Office of the Insurance Commissioner Working State Office of the Insurance Commissioner Months of the Insurance Commissioner 360-725-726 daniel (@oic.wa.aov

### **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

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From: Whitmer, Steven [mailto:SWhitmer@lockelord.com] Sent: Friday, December 20, 2019 11:42 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Cc: McKenna, Rob < mckenna@orrick.com >; Pasarow, Sofia (OIC) < SofiaP@ojc.wa.gov >; Levin, Alan < Alan, Levin@lockelord.com >; Farber, Tim < TFarber@lockelord.com > Subject: Re: HII/OIC: Follow Up

Thanks, Let's use this number: Call in Number: 1-866-512-4865

Passcode: 845326 Sent from my iPhone

On Dec 20, 2019, at 1:40 PM, Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov > wrote:

Yes, that works fine.

Please feel free to send a calendar invite.

Look forward to speaking then,

# **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danielj@oic.wa.gov ent Specialist

# Protecting Insurance Consumers

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From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

**Sent:** Friday, December 20, 2019 11:37 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Cc: McKenna, Rob < rmckenna@orrick.com >; Pasarow, Sofia (OIC) < sofiaP@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < TFarber@lockelord.com >

Subject: Re: HII/OIC: Follow Up Sure. Can we do 12:30 PT?

On Dec 20, 2019, at 1:32 PM, Jacobs, Daniel (OIC) < Daniel @oic.wa.gov> wrote:

Sofia and I are in receipt of your offer. Would your team have time to talk this afternoon, say 1 or 1:30 PM, PST? We have other availability this afternoon if this won't work,

Sincerely,

Daniel Jacobs

Enforcement Specialist Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-726 danieli@oic.wa.goy

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```
From: McKenna, Rob [mailto:rmckenna@orrick.com]
Sent: Friday, December 20, 2019 11:02 AM
To: Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>
Subject: RE: HII/OIC: Follow Up
Daniel and Sofia, just want to confirm you received Steve's email below. I recall that Daniel said he will be out of office on Christmas Eve as well as Christmas – and also on
Monday?
Thanks.
Rob
From: Whitmer, Steven < SWhitmer@lockelord.com
Sent: Friday, December 20, 2019 10:06 AM
To: 'Jacobs, Daniel (OIC)' < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>
Subject: HII/OIC: Follow Up
Daniel and Sofia,
HII accepts the proposed offer of $1.5 million, but only if OIC accepts HII's attached proposed modifications to the consent order. We are available for a call if you would
like to discuss this further. Please let us know if we have a deal. Thanks.
From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Sent: Friday, December 20, 2019 10:42 AM
To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
Cc: McKenna, Rob < mckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >;
Subject: RE: Update
Tim:
OIC offered to drop the premium statutes if HII accepted the proposed offer of 1.5 million. A proposed fine of less than 1.5 million is not on the table.
As such, we do not think a phone call would be beneficial at this time,
If your client accepts the settlement terms as discussed on Wednesday, we can send you the final revised consent order before the close of business today.
Sincerely,
                Daniel Jacobs
                Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
                danieli@oic.wa.gov
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        urance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
        From: Farber, Tim [mailto:TFarber@lockelord.com]
         Sent: Friday, December 20, 2019 8:10 AM
        To: Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
        Cc: McKenna, Rob < rmckenna@orrick.com>; Whitmer, Steven < SWhitmer@lockelord.com>; Levin, Alan < Alan.Levin@lockelord.com>
        Subject: RE: Update
        Please see the attached revised updated consent order. HPIH has increased its fine amount to $1.25M. Would you have time to discuss today, perhaps at 11:30
        am Pacific Time or earlier? Thanks very much.
        Best Regards,
        Sent: Tuesday, December 17, 2019 9:59 AM
        To: 'Jacobs, Daniel (OIC)' < Daniel (@oic.wa.gov>; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>
        Cc: McKenna, Rob <a href="mailto:kelord.com">rmckenna@orrick.com</a>; Whitmer, Steven <a href="mailto:sWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan <a href="mailto:kelord.com">Alan.Levin@lockelord.com</a>;
        Subject: RE: Update
         Thanks. I will send out a calendar invite.
        From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>
         Sent: Tuesday, December 17, 2019 9:47 AM
        To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
        Cc: McKenna, Rob < rmckenna@orrick.com>; Whitmer, Steven < SWhitmer@lockelord.com>; Levin, Alan < Alan.Levin@lockelord.com>
        Subject: RE: Update
        Tim:
        We are free at 1 PM PST. Feel free to send over an invite,
        Sincerely.
                        Daniel Jacobs
                        Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
        Protectina Insurance Consumers
         Insurance Consumer Hotline 1.800.562.6900
         www.insurance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
        From: Farber, Tim [mailto:TFarber@lockelord.com]
         Sent: Tuesday, December 17, 2019 7:42 AM
        To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
        Cc: McKenna, Rob <rmckenna@orrick.com>; Whitmer, Steven <SWhitmer@lockelord.com>; Levin, Alan <Alan, Levin@lockelord.com>
        Subject: RE: Update
        Sofia and Daniel.
        I've adjusted the preference window for a call from between 12:30-2:00 pm PST if there's a no more than 30 min, block that works for you. Thanks,
         Sent: Monday, December 16, 2019 6:31 PM
        To: 'Jacobs, Daniel (OIC)' < Daniel (@oic.wa.gov>; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>
        Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >
         Subject: RE: Update
         Thanks. Looks like 12:30-2:30 pm PST works best for us, if you have availability for 30 minutes or so in that window tomorrow. Thanks.
        From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
         Sent: Monday, December 16, 2019 6:18 PM
        To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >
        Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >
        Sofia and I are available tomorrow morning 10 AM PST to 11 AM PST, and we have some availability in the afternoon if that doesn't work,
        Sincerely,
```

**Daniel Jacobs** 

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner

PO Box 40255 Olympia, WA 98504-0255 360-725-7264

#### Protecting Insurance Consumers

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 16, 2019 4:08 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: McKenna, Rob < <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>; Whitmer, Steven < <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer, Steven < <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer, Steven < <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer <a href="mailto:Swhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Alan.Levin@lockelord.com</a>; Alan.Levin@lockelord.com</a>

Subject: RE: Update

Thanks again for speaking with us on Thursday. Attached please find proposed revisions to the consent order. Please let us know if you are available on Tuesday to

discuss this matter. Thanks.

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Thursday, December 12, 2019 7:23 PM

To: Farber, Tim TFarber@lockelord.com; Jacobs, Daniel (OIC) Spaniell@oic.wa.gov; Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>

Cc: McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Update

Hello all,

In addition, I have included Kelly Cairns contact information below. Thank you for meeting today and discussing the matter

Please let us know if you have additional questions.

Kelly Cairns

OIC Information Governance Manager

(360) 725-7003

KellyC@oic.wa.gov Sincerely,

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissione

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, December 12, 2019 5:14 PM

To: Jacobs, Daniel (OIC) Qaniell@oic.wa.gov>; Levin, Alan <a href="Alan.Levin@lockelord.com">; Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov"><a href="Maintenance">SofiaP@oic.wa.gov</a>>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Thanks

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Thursday, December 12, 2019 7:00 PM

To: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Pursuant to our phone call earlier today, here is the letter from Medical Security Card Company I was referring to.

Sincerely,

Daniel Jacobs

ent Specialist Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissi PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Levin, Alan [mailto:Alan.Levin@lockelord.com] Sent: Thursday, December 12, 2019 11:45 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov > Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Tim, I may not be able to make it but know you will able handle without me. Best regards.

Alan J. Levin

Partner
Locke Lord LLP

Brookfield Place, 200 Vesey Street New York, NY 10281

T: 212-415-8600

D: 212-912-2777 20 Church Street, 20th Floor

Hartford, CT 06103

T: 860-525-5065 D: 860-541-7747

F: 860-527-4198

Executive Assistant:

Megan S. Powell, CP D: 860-541-7779

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From: Farber, Tim < TFarber@lockelord.com> Sent: Thursday, December 12, 2019 2:09 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Yes, that time works. I can send out a calendar invite for 3:30 pm PST. Thanks.

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Thursday, December 12, 2019 12:56 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Are you free between 3:30pm and 4:00pm?

Sincerely.

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 4:51 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Thanks Sofia and Daniel. We appreciate the opportunity for a call and please feel free to propose a time that works for you

Best Regards,

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Wednesday, December 11, 2019 6:08 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < Daniel @oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Daniel and I presented the case at today's Producer Enforcement Group Meeting. The Group authorized a settlement offer fine of \$1,500,000. As discussed, the offer is extended until December 24, 2019.

Attached is the revised proposed consent order. We will consider one final round of proposed edits, if the proposed edits are limited, and made in a good faith

We would like to discuss the circumstances of the Consent Order disclosure with you tomorrow, if you are available for a phone call during the second half of the

Sincerely.

### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 9:54 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email Daniel and Sofia.

Best Regards.

From: Jacobs Daniel (OIC) < Daniel (@oic wa gov:

Sent: Wednesday, December 11, 2019 11:45 AM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> Cc: Levin, Alan <Alan.Levin@lockelord.com>; McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Meeting Dates

We are in receipt of your email and voicemails from earlier this morning. We will be presenting your offer later this morning to the Group, and are looking further into the circumstances of the Consent Order disclosure. We will send over the edited consent order language this afternoon. I don't know that we'll have time to call you back before the Group presentation this morning, but we will update you as soon as we have more information Sincerely.

# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affoirs Division Washington State Office of the Insurance Commissioner PO 4804 40255 Olympia, WA 98504-0255 360-725-7264 ment Specialist

# Protectina Insurance Consumers

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 8:53 AM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>> Subject: RE: Meeting Dates

Thank you Sofia and Daniel. HPIH would like you to present its offer to the Group and appreciates you doing so. Please note that the language in the consent order is important and still needs to be agreed upon so we look forward to your draft. Also, HII is disappointed the confidential draft consent order provided on September 25th, 2019 was recently released and has been used by short sellers to already harm HII and its stock and believe that should be a mitigating factor for the amount of the fine.

Best Regards,

Tim

Sent: Tuesday, December 10, 2019 5:07 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov > Cc: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and I want to thank you for your continued good faith efforts at settlement negotiation, and given the movement that has been made, Sofia and I will present the proposed fine amount of \$875,000 to the Producer Enforcement Group tomorrow

Sofia and I will be recommending that the Group approve a counter-offer of \$1.25 million.

Should HII respond prior to the Group meeting tomorrow at 11 AM PST with a different number closer to what Sofia and I will be recommending, we

Please feel free to follow up with further questions, otherwise, we will update you after the Group has met,

Sincerely

# Daniel Jacobs

ent Snecialist

Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

### Protecting Insurance Consumers

Insurance Consumer Hotline 1.800.562.6900

WA OIC | wainsuran

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Tuesday, December 10, 2019 1:58 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for your email. HPIH has increased its fine amount to \$875,000. HPIH would like to see a draft order and continue to work out a resolution in good faith. Thanks.

On Dec 10, 2019, at 3:27 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> wrote:

To clarify, Daniel and I have the discretion to present new fine recommendations to the Producer Enforcement Group, if the circumstances are appropriate.

Your fine proposal is a drastic departure from the initial fine amount the Group approved. During our settlement negotiations, HPIH has not presented information sufficient to justify the requested fine decrease. In addition, the fine proposal is unreasonable in light of the OIC's findings and authority. Because of this, Daniel and I will not present the fine offer to the Group. The OIC is hopeful that HPIH can come back with a settlement offer that is more conducive towards resolving this matte

If you would like to discuss further, please feel free to contact us.

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 11:49 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Jacobs, Daniel (OIC) < Daniel (O

Thank you for the information. HPIH has provided the below offer which we are authorized to provide and requested it be submitted to the Producer Enforcement Group.

On Dec 10, 2019, at 1:28 PM, Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov> wrote:

In addition, in light of the unreasonable fine proposal, the OIC will not be sending a final proposed consent order tomorrow. We will await your response

Sincerely,

Sofia Pasarow

Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

**Sent:** Tuesday, December 10, 2019 11:17 AM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OlC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: RE: Meeting Dates

Sofia and I will not be presenting this amount to the Producer Enforcement Group tomorrow, as neither of us can support recommending the adoption of this fine. Sincerely.

**Daniel Jacobs** 

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Bax 40255 Olympia, WA 98504-0255
360-725-7264
danjaliment

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From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Tuesday, December 10, 2019 11:04 AM

To: Jacobs, Daniel (OIC) < Daniel (@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Daniel and Sofia. I am authorized to present the following on behalf of Health Plan Intermediaries Holdings (HPIH):

HPIH would also be willing to consider:

• Not commencing the sale of short term medical policies for a period to be agreed without prior consent of the Commissioner.

• Consider an element of suspended fine amount if the amount paid up front is \$200,000.

• A grace period of three months prior to imposing any suspended fine amount to correct any perceived existing violations.

Thank you. Best Regards

From: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Sent: Tuesday, December 10, 2019 10:53 AM

To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>> Subject: RE: Meeting Dates

I just got your voicemail about the timing for the proposed fine amount. Sofia and I will need that by the close of business today to give us adequate time to present it tomorrow,

Sincerely,

**Daniel Jacobs** 

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 9, 2019 2:26 PM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us regarding the proposed consent order for HPIH. We have provided some changes and language in the attached. HPIH is still working on the revised fine proposal and we hope to be able to provide that to you soon.

Thanks again for your consideration and please do not hesitate to let us know if you have any questions.

Best Regards,

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov> Sent: Tuesday, November 26, 2019 6:18 PM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

Let's do 10:30

Hope everyone enjoys a happy and restful Thanksgiving.

Sincerely,

**Daniel Jacobs** 

Insurance Enforcement Specialist
Legal Affairs Division for Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255
360-725-7264
daniel likolin wa encountry

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

 $How about \ Wednesday, \ December\ 4^{th}, \ from\ 8:30-9:30\ am\ PT\ or\ Wednesday, \ December\ 4^{th}, \ from\ 10:30-11:30\ am\ PT?\ Rob,\ Alan\ and\ Alan\ and\ Alan\ Ala$ me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in

Sent: Tuesday, November 26, 2019 5:25 PM To: 'Pasarow, Sofia (OIC)' < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times

Best Regards,

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov > Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday, December 5, 2019, from 8:30am to

Please let me know if there is a date and time that works best for you and others who wish to attend the conference call.

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and Daniel,

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Link: https://lockelord.box.com/s/ifl2ggggr67dx1dubwmaggymlrgosifx

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 513 of 761 PageID 915

From: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov Sent: Thursday, October 31, 2019 3:45 PM To: Farber, Tim < TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>

Subject: RE: Meeting Dates

Thank you for the prompt response and update. We look forward to hearing from you next week

Sincerely,

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber. Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>Daniel!@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in response to the information request and we will provide you the track changes to the consent order and accompanying information by

Thanks again and please do not hesitate to let us know if you have any questions

Sincerely,

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Wednesday, October 30, 2019 1:22 PM

To: Farber, Tim <TFarber@lockelord.com>: Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further questions.

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim <TFarber@lockelord.com>: Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the update. We will look forward to hearing from you soon.

Please let us know if you have additional questions.

Sincerely,

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washinaton State Office of the Insurance Commissioner 360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan  $In terme diaries\ Holdings,\ LLC\ .\ As\ an\ update\ additional\ documents\ were\ provided\ by\ Stephanie\ Ferrell\ at\ the\ OIC\ on\ Friday\ and$ she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible.

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and confirmed.

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards,

Tim

Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606

```
(312) 443-0532 Direct
From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov
Sent: Monday, October 14, 2019 2:00 PM
To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>
Subject: RE: Meeting Dates
That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed
that there would be track change edits to the consent order we would be talking about this Wednesday.
We look forward to speaking further on Wednesday,
Sincerely,
                Daniel Jacobs
                                    nent Specialist
                Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
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                              om/WA_OIC | wainsurance.blogspot.com | email/text alerts
From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 11:30 AM
To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >
Subject: RE: Meeting Dates
 Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we
could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before
marking up the order. Please let us know if that is O.K.
Thanks
Tim
From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>
Sent: Monday, October 14, 2019 1:25 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>
Subject: RE: Meeting Dates
To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.
                Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olmpia, WA 98504-0255
360-725-7264
danielinance
                Daniel Jacobs
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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 10:07 AM
To: Jacobs, Daniel (OIC) <Daniel J@oic.wa.gov>: Pasarow, Sofia (OIC) <Sofia P@oic.wa.gov>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>
Subject: RE: Meeting Dates
Daniel,
Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well
as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in
Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.
From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Sent: Friday, October 11, 2019 11:00 AM
To: Farber, Tim <TFarber@lockelord.com>: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
Subject: RE: Meeting Dates
Tim:
        Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST,
        Toll Free
        +1-855-929-3239
        Access Code: 800 323 796
         We look forward to speaking further then,
                          Daniel Jacobs
                          Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danielj@oic.wa.gov
         Protecting Insurance Consumers
         Insurance Consumer Hotline 1.800.562.6900
         www.insurance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
                 From: Farber, Tim [mailto:TFarber@lockelord.com]
                  Sent: Friday, October 11, 2019 8:36 AM
                 To: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
                 Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
                 Subject: RE: Meeting Dates
                 Great, thanks.
                 From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
                  Sent: Friday, October 11, 2019 10:34 AM
                 To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
                  Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
                 Subject: RE: Meeting Dates
                 That sounds great. I will have someone in our office arrange for a conference call number for you to call into on
                 Wednesday.
                 Sincerely.
                                  Definite Jacobs
Insurance Enforcement Specialist
Legal Affirs Sivision
Washington State Office of the Insurance Commissioner
PO Box 40255 Slympia, WA 98504-0255
360-725-7264
```

#### danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <a href="mailto:Daniell@oic.wa.gov">Daniell@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards,

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates
Thanks for the email Daniel. I will confirm with you soon

Fim.

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>

Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October  $16^{\rm th}$  and Friday, October  $18^{\rm th}$  for an hour long phone call. We are also available at 1 PM on Thursday, October  $17^{\rm th}$ .

Please let us know if any of these times work for you,

Sincerely,

### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, October 10, 2019 7:19 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic wa gov:

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Sofia,

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks

HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards

Tim

Tim Farber

111 South Wacker Drive

Chicago, IL 60606 (312) 443-0532 Direct

tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> Sent: Wednesday, October 9, 2019 10:47 AM

To: Farber, Tim < TFarber@lockelord.com>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Tim,

Thank you for the update. Please email a short paragraph describing the purposes for the meeting After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.

Sincerely,

# Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, October 8, 2019 10:57 AM
To: Pasarow, Sofia (OIC) <\$sofiaP@oic.wa.gov>
Cc: Jacobs, Daniel (OIC) <Daniell@oic.wa.gov>
Subject: RE: Meeting Dates

ofia,

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows: -Tim Farber (Locke Lord LLP)

-Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)

-Rob McKenna (Orrick, Herrington & Sutcliffe LLP)
We will have written comments to you regarding the consent order prior to the meeting. Please feel free to let me know if you have any questions. Thanks.

Best,

From: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Sent: Friday, October 4, 2019 5:47 PM To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Subject: Meeting Dates

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting.

Please feel free to email me if you have any questions.

Sincerely,

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

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Earber, Tim Pasarov, Sofia (OIC); Jacobs, Daniel (OIC); Whitmer, Steven McKenna, Robi León, Alan RE: HIJDIC: Follow Up Fildey, December 20, 2019 2:36:09 PM image001.mg

Thank you Sofia.

From: Pasarow, Sofia (OIC)

Sent: Friday, December 20, 2019 4:33 PM To: Jacobs, Daniel (OIC): Whitmer, Steven Cc: McKenna, Rob ; Levin, Alan ; Farber, Tim

Subject: RE: HII/OIC: Follow Up

Thank you again for meeting today to discuss the consent order. Daniel and I checked in with our office about the fine payment deadline

The consent order must be signed by December 24, 2019, but we are authorized to set a fine payment deadline of December 31, 2019. We will add this deadline to the consent order

Please let us know if you have any further questions

Sincerely,



### Sofia Pasarow

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner 360-725-7181 (office)

From: Jacobs, Daniel (OIC)

Sent: Friday, December 20, 2019 12:27 PM

To: Whitmer, Steven < SWhitmer@lockelord.com>

Cc: McKenna, Rob < rmckenna@orrick.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < TFarber@lockelord.com >

Subject: RE: HII/OIC: Follow Up

Steven:

Here are OIC's proposed edits,

Look forward to speaking in a few,

Sincerely,



Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 daniel Beoic.wa.sox

### **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

rance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Whitmer, Steven [mailto:SWhitmer@lockelord.com] Sent: Friday, December 20, 2019 11:42 AM

To: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov

Subject: Re: HII/OIC: Follow Up Thanks. Let's use this number:

Call in Number: 1-866-512-4865

Passcode: 845326 Sent from my iPhone

On Dec 20, 2019, at 1:40 PM, Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov> wrote:

Yes, that works fine

Please feel free to send a calendar invite

Look forward to speaking then,

Sincerely,

# **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264

# **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Whitmer, Steven [mailto:SWhitmer@lockelord.com]

Sent: Friday, December 20, 2019 11:37 AM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>

Cc: McKenna, Rob < rmckenna@orrick.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < TFarber@lockelord.com > Subject: Re: HII/OIC: Follow Up

Sure. Can we do 12:30 PT?

Sent from my iPhone

On Dec 20, 2019, at 1:32 PM, Jacobs, Daniel (OIC) < Daniel @oic.wa.gov > wrote:

Sofia and I are in receipt of your offer. Would your team have time to talk this afternoon, say 1 or 1:30 PM, PST? We have other availability this afternoon if this won't work

Sincerely.

**Daniel Jacobs** 

Insurance Enforcement Specialist Legal Affairs Division in Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danjeli Bahin wa and

Protectina Insurance Consumers Insurance Consumer Hotline 1.800.562.6900

e.wa.gov | twitter.co /WA\_OIC | wainsurance.blogspot.com | email/text alerts

```
From: McKenna, Rob [mailto:rmckenna@orrick.com]
Sent: Friday, December 20, 2019 11:02 AM
To: Whitmer, Steven <<u>SWhitmer@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
\textbf{Cc:} \  \, \text{Levin, Alan} < \!\! \underline{\text{Alan.Levin@lockelord.com}} \!\! > \!\! ; \  \, \text{Farber, Tim} < \!\! \underline{\text{TFarber@lockelord.com}} \!\! > \!\! ; \\ \  \, \text{Comparison of the comparison of the compariso
Subject: RE: HII/OIC: Follow Up
Daniel and Sofia, just want to confirm you received Steve's email below. I recall that Daniel said he will be out of office on Christmas Eve as well as Christmas – and also on
Monday?
Thanks,
 Rob
From: Whitmer, Steven < SWhitmer@lockelord.com>
Sent: Friday, December 20, 2019 10:06 AM
To: 'Jacobs, Daniel (OIC)' <Daniel J@oic.wa.gov>: Pasarow, Sofia (OIC) <Sofia P@oic.wa.gov>
Cc: McKenna, Rob < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < rmckenna@orrick.com >; Levin, Alan < Alan.Levin@lockelord.com >; Farber, Tim < rmckenna@orrick.com >; Levin, Alan.Levin@lockelord.com >; Farber, Tim < rmckenna@orrick.com 
Subject: HII/OIC: Follow Up
Daniel and Sofia,
HII accepts the proposed offer of $1.5 million, but only if OIC accepts HII's attached proposed modifications to the consent order. We are available for a call if you would
like to discuss this further. Please let us know if we have a deal. Thanks.
 Regards, Steve
From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Sent: Friday, December 20, 2019 10:42 AM
To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >
Cc: McKenna, Rob < mckenna@orrick.com>; Whitmer, Steven < SWhitmer@lockelord.com>; Levin, Alan < Alan, Levin@lockelord.com>
Subject: RE: Update
OIC offered to drop the premium statutes if HII accepted the proposed offer of 1.5 million. A proposed fine of less than 1.5 million is not on the table.
As such, we do not think a phone call would be beneficial at this time.
If your client accepts the settlement terms as discussed on Wednesday, we can send you the final revised consent order before the close of business today.
Sincerely.
                                     Insurance Enforcement Specialist
Legal Affairs Divisifice of the Insurance Commissioner
Po Bax 4025 5 (hympio, IMA 98504-0255
360-725-7264
Jaintel (Bouck was pay
                                     Daniel Jacobs
Protecting Insurance Consumers
  Insurance Consumer Hotline 1.800.562.6900
                   urance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts
                    From: Farber, Tim [mailto:TFarber@lockelord.com]
                    Sent: Friday, December 20, 2019 8:10 AM
                    To: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
                   Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >
                    Subject: RE: Update
                   Please see the attached revised updated consent order. HPIH has increased its fine amount to $1.25M. Would you have time to discuss today, perhaps at 11:30
                     am Pacific Time or earlier? Thanks very much
                   Best Regards,
                    Tim
                   From: Farber, Tim
                    Sent: Tuesday, December 17, 2019 9:59 AM
                   To: 'Jacobs, Daniel (OIC)' < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>
                    Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >
                    Thanks. I will send out a calendar invite
                   From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
                    Sent: Tuesday, December 17, 2019 9:47 AM
                    To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
                   Cc: McKenna, Rob < mckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >
                    Subject: RE: Update
                    We are free at 1 PM PST. Feel free to send over an invite,
                    Sincerely,
                                                        Daniel Jacobs
                                                                                                  ent Specialist
                                                        Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
                    Protectina Insurance Consumers
                    Insurance Consumer Hotline 1.800.562.6900
                     From: Farber, Tim [mailto:TFarber@lockelord.com]
                    Sent: Tuesday, December 17, 2019 7:42 AM
                    To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>
                     Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com
                    Subject: RE: Update
                   I've adjusted the preference window for a call from between 12:30-2:00 pm PST if there's a no more than 30 min. block that works for you. Thanks
                    Tim
                    From: Farber, Tim
                    Sent: Monday, December 16, 2019 6:31 PM
                    To: 'Jacobs, Daniel (OIC)' < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>
                    Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan, Levin@lockelord.com >
                     Thanks. Looks like 12:30-2:30 pm PST works best for us, if you have availability for 30 minutes or so in that window tomorrow. Thanks.
                    From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov
                    Sent: Monday, December 16, 2019 6:18 PM
                     To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
                   \textbf{Cc:} \ \ McKenna, Rob < \underline{mckenna@orrick.com}; \ Whitmer, \ Steven < \underline{SWhitmer@lockelord.com}; \ Levin, \ Alan < \underline{Alan.Levin@lockelord.com} > \underline{McKenna}, \ Alan < \underline{McKenna}, \ 
                    Subject: RE: Update
                    Sofia and I are available tomorrow morning 10 AM PST to 11 AM PST, and we have some availability in the afternoon if that doesn't work,
```

**Daniel Jacobs** 

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner

PO Box 40255 Olympia, WA 98504-0255 360-725-7264

#### Protecting Insurance Consumers

Insurance Consumer Hotline 1.800.562.6900

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 16, 2019 4:08 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: McKenna, Rob < <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>; Whitmer, Steven < <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer, Steven < <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer, Steven < <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer <a href="mailto:SWhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; Whitmer <a href="mailto:Swhitmer@lockelord.com">SWhitmer@lockelord.com</a>; Alan.Levin@lockelord.com</a>; Alan.Levin@lockelord.com</a>

Subject: RE: Update

Thanks again for speaking with us on Thursday. Attached please find proposed revisions to the consent order. Please let us know if you are available on Tuesday to discuss this matter. Thanks.

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Thursday, December 12, 2019 7:23 PM

To: Farber, Tim TFarber@lockelord.com; Jacobs, Daniel (OIC) Spaniell@oic.wa.gov; Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>

Cc: McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Update

Hello all,

In addition, I have included Kelly Cairns contact information below. Thank you for meeting today and discussing the matter

Please let us know if you have additional questions.

Kelly Cairns

OIC Information Governance Manager

(360) 725-7003

KellyC@oic.wa.gov

Sincerely,

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissione

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, December 12, 2019 5:14 PM

To: Jacobs, Daniel (OIC) Qaniell@oic.wa.gov>; Levin, Alan <a href="Alan.Levin@lockelord.com">; Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov"><a href="Maintenance">SofiaP@oic.wa.gov</a>>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Thanks

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Thursday, December 12, 2019 7:00 PM

To: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Pursuant to our phone call earlier today, here is the letter from Medical Security Card Company I was referring to.

Sincerely,

# Daniel Jacobs

ent Specialist

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissi PO Box 40255 Olympia, WA 98504-0255 360-725-7264

**Protecting Insurance Consumers** Insurance Consumer Hotline 1.800.562.6900

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From: Levin, Alan [mailto:Alan.Levin@lockelord.com] Sent: Thursday, December 12, 2019 11:45 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update Tim, I may not be able to make it but know you will able handle without me. Best regards.

Alan J. Levin

Partner
Locke Lord LLP

Brookfield Place, 200 Vesey Street New York, NY 10281

T: 212-415-8600

D: 212-912-2777 20 Church Street, 20th Floor

Hartford, CT 06103

T: 860-525-5065 D: 860-541-7747

F: 860-527-4198

Executive Assistant:

Megan S. Powell, CP D: 860-541-7779

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From: Farber, Tim < TFarber@lockelord.com> Sent: Thursday, December 12, 2019 2:09 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Yes, that time works. I can send out a calendar invite for 3:30 pm PST. Thanks.

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Thursday, December 12, 2019 12:56 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>> Subject: RE: Update

Are you free between 3:30pm and 4:00pm?

Sincerely.

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 4:51 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Thanks Sofia and Daniel. We appreciate the opportunity for a call and please feel free to propose a time that works for you

Best Regards,

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Sent: Wednesday, December 11, 2019 6:08 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < Daniel @oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Daniel and I presented the case at today's Producer Enforcement Group Meeting. The Group authorized a settlement offer fine of \$1,500,000. As discussed, the offer is extended until December 24, 2019.

Attached is the revised proposed consent order. We will consider one final round of proposed edits, if the proposed edits are limited, and made in a good faith

We would like to discuss the circumstances of the Consent Order disclosure with you tomorrow, if you are available for a phone call during the second half of the

Sincerely.

### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 9:54 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email Daniel and Sofia. Best Regards.

From: Jacobs Daniel (OIC) < Daniel (@oic wa gov: Sent: Wednesday, December 11, 2019 11:45 AM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>> Cc: Levin, Alan <Alan.Levin@lockelord.com>; McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Meeting Dates

We are in receipt of your email and voicemails from earlier this morning. We will be presenting your offer later this morning to the Group, and are looking further into the circumstances of the Consent Order disclosure. We will send over the edited consent order language this afternoon. I don't know that we'll have time to call you back before the Group presentation this morning, but we will update you as soon as we have more information Sincerely.

# **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264

# Protectina Insurance Consumers

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Wednesday, December 11, 2019 8:53 AM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Sofia and Daniel. HPIH would like you to present its offer to the Group and appreciates you doing so. Please note that the language in the consent order is important and still needs to be agreed upon so we look forward to your draft. Also, HII is disappointed the confidential draft consent order provided on September 25th, 2019 was recently released and has been used by short sellers to already harm HII and its stock and believe that should be a mitigating factor for the amount of the fine.

Best Regards,

Tim

Sent: Tuesday, December 10, 2019 5:07 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and I want to thank you for your continued good faith efforts at settlement negotiation, and given the movement that has been made, Sofia and I will present the proposed fine amount of \$875,000 to the Producer Enforcement Group tomorrow

Sofia and I will be recommending that the Group approve a counter-offer of \$1.25 million.

Should HII respond prior to the Group meeting tomorrow at 11 AM PST with a different number closer to what Sofia and I will be recommending, we

Please feel free to follow up with further questions, otherwise, we will update you after the Group has met,

Sincerely

Daniel Jacobs

Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

### Protecting Insurance Consumers

Insurance Consumer Hotline 1.800.562.6900

WA OIC | wainsura

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Tuesday, December 10, 2019 1:58 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for your email. HPIH has increased its fine amount to \$875,000. HPIH would like to see a draft order and continue to work out a resolution in good faith. Thanks.

On Dec 10, 2019, at 3:27 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> wrote:

To clarify, Daniel and I have the discretion to present new fine recommendations to the Producer Enforcement Group, if the circumstances are appropriate.

Your fine proposal is a drastic departure from the initial fine amount the Group approved. During our settlement negotiations, HPIH has not presented information sufficient to justify the requested fine decrease. In addition, the fine proposal is unreasonable in light of the OIC's findings and authority. Because of this, Daniel and I will not present the fine offer to the Group. The OIC is hopeful that HPIH can come back with a settlement offer that is more conducive towards resolving this matte

If you would like to discuss further, please feel free to contact us.

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 11:49 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Jacobs, Daniel (OIC) < Daniel (O

Thank you for the information. HPIH has provided the below offer which we are authorized to provide and requested it be submitted to the Producer Enforcement Group.

On Dec 10, 2019, at 1:28 PM, Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov> wrote:

In addition, in light of the unreasonable fine proposal, the OIC will not be sending a final proposed consent order tomorrow. We will await your response

Sincerely,

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

**Sent:** Tuesday, December 10, 2019 11:17 AM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OlC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: RE: Meeting Dates

Sofia and I will not be presenting this amount to the Producer Enforcement Group tomorrow, as neither of us can support recommending the adoption of this fine. Sincerely.

**Daniel Jacobs** 

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danielilability was constructed.

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From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Tuesday, December 10, 2019 11:04 AM

To: Jacobs, Daniel (OIC) < Daniel (@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates Thank you Daniel and Sofia.

I am authorized to present the following on behalf of Health Plan Intermediaries Holdings (HPIH):

HPIH would also be willing to consider:

• Not commencing the sale of short term medical policies for a period to be agreed without prior consent of the Commissioner.

• Consider an element of suspended fine amount if the amount paid up front is \$200,000.

• A grace period of three months prior to imposing any suspended fine amount to correct any perceived existing violations.

Thank you. Best Regards

From: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Sent: Tuesday, December 10, 2019 10:53 AM

To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>> Subject: RE: Meeting Dates

I just got your voicemail about the timing for the proposed fine amount. Sofia and I will need that by the close of business today to give us adequate time to present it tomorrow,

Sincerely,

**Daniel Jacobs** 

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Monday, December 9, 2019 2:26 PM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us regarding the proposed consent order for HPIH. We have provided some changes and language in the attached. HPIH is still working on the revised fine proposal and we hope to be able to provide that to you soon.

Thanks again for your consideration and please do not hesitate to let us know if you have any questions.

Best Regards,

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov> Sent: Tuesday, November 26, 2019 6:18 PM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

Let's do 10:30

Hope everyone enjoys a happy and restful Thanksgiving.

Sincerely,

**Daniel Jacobs** 

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

 $How about \ Wednesday, \ December\ 4^{th}, \ from\ 8:30-9:30\ am\ PT\ or\ Wednesday, \ December\ 4^{th}, \ from\ 10:30-11:30\ am\ PT?\ Rob,\ Alan\ and\ Alan\ and\ Alan\ Ala$ me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in

Sent: Tuesday, November 26, 2019 5:25 PM

To: 'Pasarow, Sofia (OIC)' < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times

Best Regards,

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday, December 5, 2019, from 8:30am to

Please let me know if there is a date and time that works best for you and others who wish to attend the conference call.

# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and Daniel,

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Link: https://lockelord.box.com/s/ifl2ggggr67dx1dubwmaggymlrgosifx

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 523 of 761 PageID 925

From: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov Sent: Thursday, October 31, 2019 3:45 PM To: Farber, Tim < TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>

Subject: RE: Meeting Dates

Thank you for the prompt response and update. We look forward to hearing from you next week

Sincerely,

### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber. Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>Daniel!@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in response to the information request and we will provide you the track changes to the consent order and accompanying information by

Thanks again and please do not hesitate to let us know if you have any questions

Sincerely,

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Wednesday, October 30, 2019 1:22 PM

To: Farber, Tim <TFarber@lockelord.com>: Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further questions.

## Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim <TFarber@lockelord.com>: Jacobs, Daniel (OIC) <DanielJ@oic.wa.gov>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the update. We will look forward to hearing from you soon.

Please let us know if you have additional questions.

Sincerely,

# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washinaton State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Cc: Levin, Alan <Alan,Levin@lockelord.com>; McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Meeting Dates

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan  $In terme diaries\ Holdings,\ LLC\ .\ As\ an\ update\ additional\ documents\ were\ provided\ by\ Stephanie\ Ferrell\ at\ the\ OIC\ on\ Friday\ and$ she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible.

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and confirmed.

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards,

Tim

Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606

```
(312) 443-0532 Direct
From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov
Sent: Monday, October 14, 2019 2:00 PM
To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>
Subject: RE: Meeting Dates
That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed
that there would be track change edits to the consent order we would be talking about this Wednesday.
We look forward to speaking further on Wednesday,
Sincerely,
                Daniel Jacobs
                                   nent Specialist
                Insurance Enforcement Specialist
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Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 11:30 AM
To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >
Subject: RE: Meeting Dates
 Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we
could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before
marking up the order. Please let us know if that is O.K.
Thanks
Tim
From: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>
Sent: Monday, October 14, 2019 1:25 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >
Subject: RE: Meeting Dates
To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.
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Washington State Office of the Insurance Commissioner
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360-725-7264
danielinance
                Daniel Jacobs
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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 10:07 AM
To: Jacobs, Daniel (OIC) <Daniel J@oic.wa.gov>: Pasarow, Sofia (OIC) <Sofia P@oic.wa.gov>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>
Subject: RE: Meeting Dates
Daniel,
Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well
as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in
Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.
From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Sent: Friday, October 11, 2019 11:00 AM
To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
Subject: RE: Meeting Dates
Tim:
        Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST,
        Toll Free
        +1-855-929-3239
        Access Code: 800 323 796
         We look forward to speaking further then,
                          Daniel Jacobs
                          Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danielj@oic.wa.gov
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                 From: Farber, Tim [mailto:TFarber@lockelord.com]
                 Sent: Friday, October 11, 2019 8:36 AM
                 To: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
                 Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
                 Subject: RE: Meeting Dates
                 Great, thanks.
                 From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
                 Sent: Friday, October 11, 2019 10:34 AM
                 To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>
                 Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>
                 Subject: RE: Meeting Dates
                 That sounds great. I will have someone in our office arrange for a conference call number for you to call into on
                 Wednesday.
                 Sincerely.
                                  Definite Jacobs
Insurance Enforcement Specialist
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Washington State Office of the Insurance Commissioner
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360-725-7264
```

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <a href="mailto:Daniell@oic.wa.gov">Daniell@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Daniel.

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards,

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates Thanks for the email Daniel. I will confirm with you soon

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov

Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>.

Please let us know if any of these times work for you,

Sincerely,

### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Thursday, October 10, 2019 7:19 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks.

HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards

Tim Farber

Locke Lord LLP 111 South Wacker Drive

Chicago, IL 60606

(312) 443-0532 Direct

tfarber@lockelord.com

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Sent: Wednesday, October 9, 2019 10:47 AM

To: Farber, Tim <TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>

Subject: RE: Meeting Dates

Thank you for the update. Please email a short paragraph describing the purposes for the meeting After I receive this information, I will check in with my office and send proposed dates

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.

Sincerely,

# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Tuesday, October 8, 2019 10:57 AM To: Pasarow, Sofia (OIC) < Sofia P@oic Cc: Jacobs, Daniel (OJC) < Daniel (@oic.wa.gov> Subject: RE: Meeting Dates

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows: -Tim Farber (Locke Lord LLP)

-Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)

-Rob McKenna (Orrick, Herrington & Sutcliffe LLP)
We will have written comments to you regarding the consent order prior to the meeting. Please feel free to let me know if you have any questions. Thanks.

Best,

From: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Sent: Friday, October 4, 2019 5:47 PM To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Subject: Meeting Dates

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting.

Please feel free to email me if you have any questions.

Sincerely,

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

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Jacobs, Daniel (OIC); Pasarow, Sofia (OIC) McKenna, Rob; Whitmer, Steven; Levin, Alar Subject: RF: Undate Friday, December 20, 2019 8:56:36 AM

Thanks Daniel. We have passed along the message to HII and will get back to you.

Best Regards,

From: Jacobs, Daniel (OIC)

Sent: Friday, December 20, 2019 10:42 AM To: Farber, Tim: Pasarow, Sofia (OIC) Cc: McKenna, Rob; Whitmer, Steven; Levin, Alan Subject: RE: Update

OIC offered to drop the premium statutes if HII accepted the proposed offer of 1.5 million. A proposed fine of less than 1.5 million is not on the table.

As such, we do not think a phone call would be beneficial at this time,

If your client accepts the settlement terms as discussed on Wednesday, we can send you the final revised consent order before the close of business today.

Sincerely,



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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, December 20, 2019 8:10 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: McKenna, Rob <rmckenna@orrick.com>: Whitmer, Steven <SWhitmer@lockelord.com>: Levin, Alan <Alan, Levin@lockelord.com>

Subject: RE: Update

Please see the attached revised updated consent order. HPIH has increased its fine amount to \$1.25M. Would you have time to discuss today, perhaps at 11:30 am Pacific Time or earlier? Thanks very much.

Best Regards,

Tim

From: Farber, Tim

Sent: Tuesday, December 17, 2019 9:59 AM

To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

 $\textbf{Cc:} \ McKenna, Rob < \underline{mckenna@orrick.com}; \ Whitmer, Steven < \underline{SWhitmer@lockelord.com}; \ Levin, Alan < \underline{Alan.Levin@lockelord.com}; \ Levin, Alan.Levin@lockelord.com}; \ Levi$ 

Subject: RE: Update

Thanks. I will send out a calendar invite.

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, December 17, 2019 9:47 AM

**To:** Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

 $\textbf{Cc:} \ McKenna, Rob < \underline{mckenna@orrick.com}; \ Whitmer, Steven < \underline{SWhitmer@lockelord.com}; \ Levin, Alan < \underline{Alan.Levin@lockelord.com}; \ Mokenna, Rob < \underline{Man.Levin@lockelord.com}; \ Mokenna, Rob$ 

Subject: RE: Update

We are free at 1 PM PST. Feel free to send over an invite,

Sincerely,



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Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
daniel limit was 1

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 17, 2019 7:42 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Update Sofia and Daniel

I've adjusted the preference window for a call from between 12:30-2:00 pm PST if there's a no more than 30 min. block that works for you. Thanks.

From: Farber, Tim

Sent: Monday, December 16, 2019 6:31 PM

To: 'Jacobs, Daniel (OIC)' < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

 $\textbf{Cc:} \ McKenna, Rob < \underline{mckenna@orrick.com}; \ Whitmer, \ Steven < \underline{SWhitmer@lockelord.com}; \ Levin, \ Alan < \underline{Alan.Levin@lockelord.com}; \ Levin, \ Alan.Levin@lockelord.com > \underline{Alan.Levin@lockelord.com}; \ Levin, \ Alan.Levin@lockelord.com > \underline{Alan.Levin@lockelord.com}; \ Levin, \ Alan.Levin@lockelord.com > \underline{Alan.Levin@lockelord.com}; \ Levin @lockelord.com > \underline{Alan.Levin$ 

Subject: RE: Update

Thanks. Looks like 12:30-2:30 pm PST works best for us, if you have availability for 30 minutes or so in that window tomorrow. Thanks.

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 528 of 761 PageID 930

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Monday, December 16, 2019 6:18 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: McKenna, Rob < rmckenna@orrick.com >; Whitmer, Steven < SWhitmer@lockelord.com >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Update

Sofia and I are available tomorrow morning 10 AM PST to 11 AM PST, and we have some availability in the afternoon if that doesn't work,

Sincerely.



**Daniel Jacobs** 

Latine Jacobs
Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Bax 40255 Olympia, WA 98504-0255
360-725-7264
dapidilimetry by the Policy of the Insurance Commissioner

danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 16, 2019 4:08 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

 $\textbf{Cc:} \ McKenna, Rob < \underline{mckenna@orrick.com}; \ Whitmer, \ Steven < \underline{SWhitmer@lockelord.com}; \ Levin, \ Alan < \underline{Alan.Levin@lockelord.com}; \ Levin, \ Alan.Levin@lockelord.com}; \ Levin, \ Levin.Levin@lockelord.com}; \ Levin.Levin@lockelord.com}; \ Levin.Levin@lockelord.com}; \ Levi$ 

Subject: RE: Update Daniel and Sofia

Thanks again for speaking with us on Thursday. Attached please find proposed revisions to the consent order. Please let us know if you are available on Tuesday

to discuss this matter. Thanks.

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov> Sent: Thursday, December 12, 2019 7:23 PM

To: Farber, Tim <TFarber@lockelord.com>; Jacobs, Daniel (OIC) <Daniell@oic.wa.gov>; Levin, Alan <Alan,Levin@lockelord.com>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Hello all.

In addition, I have included Kelly Cairns contact information below. Thank you for meeting today and discussing the matter.

Please let us know if you have additional questions.

OIC Information Governance Manager

(360) 725-7003

KellyC@oic.wa.gov Sincerely,



COMMISSIONER

# **Sofia Pasarow**

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, December 12, 2019 5:14 PM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>; Levin, Alan < <u>Alan.Levin@lockelord.com</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Thanks

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov> Sent: Thursday, December 12, 2019 7:00 PM

To: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Pursuant to our phone call earlier today, here is the letter from Medical Security Card Company I was referring to.

Sincerely,



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Levin, Alan [mailto:Alan,Levin@lockelord.com]

Sent: Thursday, December 12, 2019 11:45 AM

To: Farber, Tim <\frac{TFarber@lockelord.com}; Pasarow, Sofia (OIC) <\frac{SofiaP@oic.wa.gov}; Jacobs, Daniel (OIC) <\frac{Daniell@oic.wa.gov}; Jacobs, Daniell@oic.wa.gov}; Jacobs, Daniell

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Tim, I may not be able to make it but know you will able handle without me. Best regards.

Alan J. Levin

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 529 of 761 PageID 931

Partner

### Locke Lord LLP

Brookfield Place, 200 Vesey Street

New York, NY 10281

T: 212-415-8600

D: 212-912-2777 20 Church Street, 20th Floor

Hartford, CT 06103

T: 860-525-5065

D: 860-541-7747

F: 860-527-4198

alan.levin@lockelord.com Executive Assistant:

Megan S. Powell, CP

D: 860-541-7779

megan.powell@lockelord.com

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# Think Outside The Boilerplate





From: Farber, Tim < TFarber@lockelord.com > Sent: Thursday, December 12, 2019 2:09 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel Pasarow >

Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Yes, that time works. I can send out a calendar invite for 3:30 pm PST. Thanks.

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Sent: Thursday, December 12, 2019 12:56 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Tim

Are you free between 3:30pm and 4:00pm?

Sincerely,



### Sofia Pasarow

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 4:51 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Thanks Sofia and Daniel. We appreciate the opportunity for a call and please feel free to propose a time that works for you.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Wednesday, December 11, 2019 6:08 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Tim,

Daniel and I presented the case at today's Producer Enforcement Group Meeting. The Group authorized a settlement offer fine of \$1,500,000. As discussed, the offer is extended until December 24, 2019.

Attached is the revised proposed consent order. We will consider one final round of proposed edits, if the proposed edits are limited, and made in a good faith effort to settle the case.

We would like to discuss the circumstances of the Consent Order disclosure with you tomorrow, if you are available for a phone call during the second half of the day.

Please let us know if you have any questions.

Sincerely,



# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office)

SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 9:54 AM

To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 530 of 761 PageID 932

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email Daniel and Sofia.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Wednesday, December 11, 2019 11:45 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov > Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Meeting Dates

Tim and Rob:

We are in receipt of your email and voicemails from earlier this morning. We will be presenting your offer later this morning to the Group, and are looking further into the circumstances of the Consent Order disclosure. We will send over the edited consent order language this afternoon. I don't know that we'll have time to call you back before the Group presentation this morning, but we will update you as soon as we have more information



**Daniel Jacobs** 

Daniel Jacobs
Insurance Enforcement Specialist
Legal Affairs Division
Washinaton State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, December 11, 2019 8:53 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Sofia and Daniel. HPIH would like you to present its offer to the Group and appreciates you doing so. Please note that the language in the consent order is important and still needs to be agreed upon so we look forward to your draft. Also, HII is disappointed the confidential draft consent order provided on September 25th, 2019 was recently released and has been used by short sellers to already harm HII and its stock and believe that should be a mitigating factor for the amount of the fine.

Thanks

Best Regards,

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, December 10, 2019 5:07 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and I want to thank you for your continued good faith efforts at settlement negotiation, and given the movement that has been made,

Sofia and I will present the proposed fine amount of \$875,000 to the Producer Enforcement Group tomorrow.

Sofia and I will be recommending that the Group approve a counter-offer of \$1.25 million.

Should HII respond prior to the Group meeting tomorrow at 11 AM PST with a different number closer to what Sofia and I will be recommending, we will provide the Group with HII's updated proposal.

Please feel free to follow up with further questions, otherwise, we will update you after the Group has met,

Sincerely,

INSURANCE

Daniel Jacobs Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 1:58 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for your email. HPIH has increased its fine amount to \$875,000. HPIH would like to see a draft order and continue to work out a resolution in good faith. Thanks.

On Dec 10, 2019, at 3:27 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov > wrote:

To clarify, Daniel and I have the discretion to present new fine recommendations to the Producer Enforcement Group, if the circumstances are appropriate.

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 531 of 761 PageID 933

Your fine proposal is a drastic departure from the initial fine amount the Group approved. During our settlement negotiations, HPIH has not presented information sufficient to justify the requested fine decrease. In addition, the fine proposal is unreasonable in light of the OIC's findings and authority. Because of this, Daniel and I will not present the fine offer to the Group. The OIC is hopeful that HPIH can come back with a settlement offer that is more conducive towards resolving this matter.

If you would like to discuss further, please feel free to contact us.

### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 11:49 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel (O

Subject: Re: Meeting Dates

Thank you for the information. HPIH has provided the below offer which we are authorized to provide and requested it be submitted to the Producer Enforcement Group.

On Dec 10, 2019, at 1:28 PM, Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> wrote:

In addition, in light of the unreasonable fine proposal, the OIC will not be sending a final proposed consent order tomorrow.

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Tuesday, December 10, 2019 11:17 AM

To: Farber, Tim <TFarber@lockelord.com>: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and I will not be presenting this amount to the Producer Enforcement Group tomorrow, as neither of us can support recommending the adoption of this fine.

Sincerely.

# Daniel Jacobs

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 11:04 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Meeting Dates Thank you Daniel and Sofia.

I am authorized to present the following on behalf of Health Plan Intermediaries Holdings (HPIH):

\$200,000 fine

HPIH would also be willing to consider:

- Not commencing the sale of short term medical policies for a period to be agreed without prior consent of the Commissioner.
- Consider an element of suspended fine amount if the amount paid up front is \$200,000.
- A grace period of three months prior to imposing any suspended fine amount to correct any perceived existing

Thank you.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, December 10, 2019 10:53 AM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

I just got your voicemail about the timing for the proposed fine amount. Sofia and I will need that by the close of

business today to give us adequate time to present it tomorrow, Sincerely.

# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 9, 2019 2:26 PM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us regarding the proposed consent order for HPIH. We have provided some changes and language in the attached. HPIH is still working on the revised fine proposal and we hope to be able to provide that to you soon.

Thanks again for your consideration and please do not hesitate to let us know if you have any questions

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Sent: Tuesday, November 26, 2019 6:18 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

Let's do 10:30,

Hope everyone enjoys a happy and restful Thanksgiving,

Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Bax 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

How about Wednesday, December 4<sup>th</sup>, from 8:30-9:30 am PT or Wednesday, December 4<sup>th</sup>, from 10:30-11:30 am PT? Rob, Alan and me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in number. Thanks again.

Tim

From: Farber, Tim

Sent: Tuesday, November 26, 2019 5:25 PM

To: 'Pasarow, Sofia (OIC)' <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Mr. Farber

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday, December 5, 2019, from 8:30am to 3:00pm.

Please let me know if there is a date and time that works best for you and others who wish to attend the conference call. Sincerely.

# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and Daniel,

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Thanks.

Link: https://lockelord.box.com/s/ifl2ggggr67dx1dubwmaggymlrgosjfx

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

Sincerely,

Tim

From: Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov">Sent: Thursday, October 31, 2019 3:45 PM</a>
To: Farber, Tim <a href="Farber@lockelord.com">To: Farber, Tim <a href="Tearber@lockelord.com">Tearber, Tim <a href="Tearber.com">Tearber, Tim <a href="Tear

Subject: RE: Meeting Dates

Tim.

Thank you for the prompt response and update. We look forward to hearing from you next week.

Sincerely.

Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in response to the information request and we will provide you the track changes to the consent order and accompanying information by Nov. 8<sup>th</sup>.

Thanks again and please do not hesitate to let us know if you have any questions.

Sincerely,

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Wednesday, October 30, 2019 1:22 PM

To: Farber, Tim <Terber@lockelord.com</pre>; Jacobs, Daniel (OIC) <Daniell@oic.wa.gov</pre>
Cc: Levin, Alan <a href="mailto:kelord.com">; McKenna, Rob' 
<a href="mailto:kelord.com">; McKenna, Rob' 
<a href="mailto:kelord.com">; McKenna, Rob'

**Subject:** RE: Meeting Dates Tim.

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes.

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further questions. Sincerely,

# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim <a href="Tearber@lockelord.com">Tearber, Tim <a href="Tearber@lockelord.com">Tearber@lockelord.com</a>; McKenna, Rob <a href="Tearber@lockelord.com">Tearber@l

Subject: RE: Meeting Dates

Tim,

Thank you for the update. We will look forward to hearing from you soon.

Please let us know if you have additional questions.

Sincerely,

# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

### SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Cc: Levin, Alan <Alan, Levin@lockelord.com>; McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. As an update additional documents were provided by Stephanie Ferrell at the OIC on Friday and she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible.

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and confirmed.

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Monday, October 14, 2019 2:00 PM

To: Farber, Tim <TFarber@lockelord.com>: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed that there would be track change edits to the consent order we would be talking about this Wednesday. We look forward to speaking further on Wednesday,

Sincerely,

Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Monday, October 14, 2019 11:30 AM

To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before marking up the order. Please let us know if that is O.K.

Thanks.

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Monday, October 14, 2019 1:25 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov > Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office Sincerely.

# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

# **Protecting Insurance Consumers**

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www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, October 14, 2019 10:07 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Cc: Levin, Alan <Alan, Levin@lockelord.com>; McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Meeting Dates

Daniel,

Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Friday, October 11, 2019 11:00 AM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST.

Toll Free

+1-855-929-3239

Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,

**Daniel Jacobs** 

ce Enforcement Specialist msurine Enjoyeemen Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 8:36 AM To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Great, thanks, Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

That sounds great. I will have someone in our office arrange for a conference call number for you to call into on Wednesday.

Sincerely,

**Daniel Jacobs** 

Latine JACUDS
Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
daniel Marie Lange Lange danieli

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Daniel.

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October  $16^{th}$  and Friday, October  $18^{th}$ 

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 536 of 761 PageID 938

for an hour long phone call. We are also available at 1 PM on Thursday, October 17 . Please let us know if any of these times work for you, Sincerely.

### Daniel Jacobs

Latine JACUDS
Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
dapiel Market Market danieli@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Thursday, October 10, 2019 7:19 AM To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time.

HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim

Tim Farber

Locke Lord LLP

111 South Wacker Drive

Chicago, IL 60606

(312) 443-0532 Direct

tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Sent: Wednesday, October 9, 2019 10:47 AM To: Farber, Tim < TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.

# Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 8, 2019 10:57 AM To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

-Tim Farber (Locke Lord LLP)

-Fither Nick Marley (Chief Risk Officer) or Dan Garayuso (VP: Compliance)

-Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting . Please feel free to let me know if you have any questions. Thanks.

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov> Sent: Friday, October 4, 2019 5:47 PM To: Farber, Tim < TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: Meeting Dates

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting.

Please feel free to email me if you have any questions. Sincerely,

### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

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From: Klotz, Kara (OIC)

To: Pasarow, Sofia (OIC); Jacobs, Daniel (OIC)

Subject: RE: PEG Final Recommendations\_12.11.2019

Date: Thursday, December 19, 2019 10:45:14 AM

Attachments: image002.png

Can one of you give me a call when you have a moment? I have a question, and then the draft news release will be ready. Thanks!

# Kara Klotz

360 725 7053



From: Pasarow, Sofia (OIC)

**Sent:** Thursday, December 19, 2019 8:00 AM **To:** Klotz, Kara (OIC); Jacobs, Daniel (OIC)

Subject: RE: PEG Final Recommendations\_12.11.2019

Kara.

Thank you for the update. We will assist with language. Please let us know if you have any questions.

Sincerely,



## **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Wednesday, December 18, 2019 2:56 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

**Subject:** RE: PEG Final Recommendations\_12.11.2019

FYI that I am working on the draft news release and I'm likely going to need a lot of help from you both as this one is very complex. I'll send a draft no later than tomorrow.

# Kara Klotz

360.725.7053



From: Pasarow, Sofia (OIC)

Sent: Thursday, December 12, 2019 2:12 PM

To: Klotz, Kara (OIC) < KaraK@oic.wa.gov >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

**Subject:** RE: PEG Final Recommendations\_12.11.2019

Kara,

Sorry about that. Here is a link that should work: P:\TRANSFER\Legal Affairs\Sofia Pasarow\Revised Final Consent Order 12.11.19 sent to Public Affairs.DOCX



# **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Thursday, December 12, 2019 2:10 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: PEG Final Recommendations 12.11.2019

Thanks for the link, Sofia. However, it doesn't work for me, it's likely a permissions issue.

# Kara Klotz

360.725.7053



From: Pasarow, Sofia (OIC)

Sent: Thursday, December 12, 2019 1:48 PM

To: Klotz, Kara (OIC) < KaraK@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: PEG Final Recommendations 12.11.2019

Kara,

Here is the hyperlink to the proposed consent order we sent to HII yesterday. The order may change a bit as HII is likely to propose one last round of edits. We will let you know if the order is signed by the parties. In addition, we would like to review the draft news release.

Thank you for your assistance. Please let us know if you have any questions.

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\Drafts\Revised Final Consent Order 12.11.19.DOCX Sincerely,



### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Thursday, December 12, 2019 1:01 PM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Subject: FW: PEG Final Recommendations\_12.11.2019

Daniel and Sofia,

Please let me know when the HII order has been sent and please include a copy of the order so I can prepare a draft news release. Thank you.

# Kara Klotz

360 725 705



From: Bowen, Barb (OIC)

Sent: Wednesday, December 11, 2019 1:32 PM

To: Hood, Toni (OIC) < <a href="mailto:ToniH@oic.wa.gov">ToniH@oic.wa.gov">ToniH@oic.wa.gov</a>; Colman, Darryl (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>; Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>; Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>; Baughman, Jeff (OIC) < <a href="mailto:JeffB@OIC.WA.GOV">JeffB@OIC.WA.GOV</a>; Dixon, Todd (OIC) < <a href="mailto:ToddD@oic.wa.gov">ToddD@oic.wa.gov</a>; Valandra, Steve (OIC) < <a href="mailto:SteveVA@oic.wa.gov">SteveVA@oic.wa.gov</a>; Robbins, Tyler (OIC) < <a href="mailto:TylerR@oic.wa.gov">TylerR@oic.wa.gov</a>>

**Cc:** Tribe, Christine (OIC) < ChrisT@OIC.WA.GOV >; Krech, Dawn (OIC) < DawnK@oic.wa.gov >; Shoblom, Kimberly (OIC) < KimberlyS@oic.wa.gov >; Pace, Josh (OIC) < JoshuaP@oic.wa.gov >; Osberg, Randi (OIC) < RandiO@oic.wa.gov >; Churchill, Harvey (OIC) < HarveyC@oic.wa.gov >; Marshall, Kathy (OIC) < KathyM@oic.wa.gov >; Klotz, Kara (OIC) < KaraK@oic.wa.gov >; Mince, Mike (OIC) < MikeM@oic.wa.gov >; Lee, Brandon (OIC) < BrandonL@oic.wa.gov >

Subject: PEG Final Recommendations\_12.11.2019

Good afternoon,

Please see the attached final recommendations from today's Producer Enforcement Group meeting.

# Thank you,



# **Barb Bowen**

Administrative Assistant to Toni Hood Legal Affairs Division Washington State Office of the Insurance Commissioner 360.725.7130 BarbB@oic.wa.gov

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From: Lovell, Jack (OIC)

To: Hood, Toni (OIC); Eisentrout, Julia (OIC); Colman, Darryl (OIC); Bowen, Barb (OIC)

Subject: RE: Commissioner - HII Recusal

Date: Monday, December 16, 2019 10:42:24 AM

Attachments: image001.png

### **Thanks**



### M. Jack Lovell

Deputy Commissioner for Operations Washington State Office of the Insurance Commissioner 360.725.7007 (office) 425.949.9602 (mobile) jackl@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Hood, Toni (OIC)

Sent: Monday, December 16, 2019 10:41 AM

To: Eisentrout, Julia (OIC); Colman, Darryl (OIC); Bowen, Barb (OIC)

Cc: Lovell, Jack (OIC)

**Subject:** RE: Commissioner - HII Recusal Barb has prepared the form. Thank you,



# **Toni Hood**

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 360.725.7050 (office) tonih@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Eisentrout, Julia (OIC)

Sent: Monday, December 16, 2019 9:52 AM

To: Colman, Darryl (OIC) < Darryl C@oic.wa.gov >; Hood, Toni (OIC) < Toni H@oic.wa.gov >

**Cc:** Lovell, Jack (OIC) < <u>JackL@oic.wa.gov</u>> **Subject:** FW: Commissioner - HII Recusal

Hi Darryl and Toni,

It looks like the Commissioner would like to recuse himself from the Health Insurance Innovations "case." However, there is not a case pending in the Hearings Unit at this time.

It's my understanding that Legal would prepare a form for any recusal prior to a pending appeal in the Hearings Unit. I attached a form just in case.

Thanks,



## **Julia Eisentrout**

Presiding Officer
Washington State Office of the Insurance Commissioner
(360) 725-7002
JuliaE@oic.wa.gov

From: Lovell, Jack (OIC)

**Sent:** Thursday, December 12, 2019 11:46 AM **To:** Eisentrout, Julia (OIC) < <u>JuliaE@oic.wa.gov</u>>

Cc: Hamilton, Hailey (OIC) < HaileyH@oic.wa.gov >; Carter, Rebekah (OIC) < RebekahC@oic.wa.gov >

Subject: Commissioner - HII Recusal

Good Morning Julia,

Commissioner would like to recuse himself from the HII case.

I forget how we decided to initiate the form. Please remind me of the process we agreed on.

Best, Jack



## M. Jack Lovell

Deputy Commissioner for Operations Washington State Office of the Insurance Commissioner 360.725,7007 (office) 425.949.9602 (mobile) jackl@oic.wa.gov

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From: Hood, Toni (OIC)

To: <u>Jacobs, Daniel (OIC); Pasarow, Sofia (OIC); Robbins, Tyler (OIC)</u>

Subject: HII

**Date:** Friday, December 13, 2019 2:38:00 PM

Attachments: image001.png

A link to this article is In the Loop. – Tyler is quoted!

<u>Health Insurance Innovations: \$2M Fine Highlights A Series Of Compliance Concerns</u> - The Capitolist



## Toni Hood

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 360.725,7050 (office) tonih@oic.wa.gov

## **Protecting Insurance Consumers**

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 From:
 Cairns, Kelly (OIC)

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 RE: HII Update

**Date:** Friday, December 13, 2019 8:51:21 AM

Attachments: image001.png

## Sounds good.

From: Pasarow, Sofia (OIC)

Sent: Thursday, December 12, 2019 5:24 PM

To: Cairns, Kelly (OIC)
Cc: Jacobs, Daniel (OIC)
Subject: HII Update

Kelly,

I wanted to let you know that Daniel and I provided your contact information to HII's counsel, Tim Farber, and other attorneys involved. I can stop by tomorrow morning to update you about what we discussed.

Sincerely,



## **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 545 of 761 PageID 947

Farber, Tim

Pasarow, Sofia (OIC); Jacobs, Daniel (OIC); Levin, Alan McKenna, Rob

Subject: RE: Update

Date Thursday, December 12, 2019 5:42:12 PM

Attachn image001.png image002.png

Thank you Sofia. Thank you to you and Daniel as well for the discussion today

Best Regards,

Tim

From: Pasarow, Sofia (OIC)

Sent: Thursday, December 12, 2019 7:23 PM To: Farber, Tim; Jacobs, Daniel (OIC); Levin, Alan

Cc: McKenna, Rob Subject: RE: Update

Hello all.

In addition, I have included Kelly Cairns contact information below. Thank you for meeting today and discussing the matter.

Please let us know if you have additional questions.

Kelly Cairns

OIC Information Governance Manager

(360) 725-7003 KellyC@oic.wa.gov

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, December 12, 2019 5:14 PM

To: Jacobs, Daniel (OIC) <a href="mailto:Daniell@oic.wa.gov">Daniell@oic.wa.gov</a>>; Levin, Alan <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>); Pasarow, Sofia (OIC) <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RF: Update

Thanks

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Thursday, December 12, 2019 7:00 PM

To: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: McKenna, Rob <rmckenna@orrick.com>

Subject: RE: Update

Tim:

Pursuant to our phone call earlier today, here is the letter from Medical Security Card Company I was referring to.

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Levin, Alan [mailto:Alan.Levin@lockelord.com]

Sent: Thursday, December 12, 2019 11:45 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniell@oic.wa.gov >

Cc: McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Update

Tim, I may not be able to make it but know you will able handle without me. Best regards.

Alan J. Levin

Partner

Locke Lord LLP

Brookfield Place, 200 Vesey Street

New York NY 10281 T: 212-415-8600

D: 212-912-2777

20 Church Street, 20th Floor

Hartford, CT 06103

T: 860-525-5065

D: 860-541-7747

F: 860-527-4198

alan.levin@lockelord.com

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 546 of 761 PageID 948

Executive Assistant: Megan S. Powell, CP D: 860-541-7779

D: 860-541-7779 megan.powell@lockelord.com

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## Think Outside The Boilerplate





From: Farber, Tim < TFarber@lockelord.com > Sent: Thursday, December 12, 2019 2:09 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel D@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Yes, that time works. I can send out a calendar invite for 3:30 pm PST. Thanks.

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Sent: Thursday, December 12, 2019 12:56 PM

To: Farber, Tim < TFarber@lockelord.com>; Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: RE: Update

Tim.

Are you free between 3:30pm and 4:00pm?

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)

From: Farber, Tim [mailto:TFarber@lockelord.com]

SofiaP@oic.wa.gov

Sent: Wednesday, December 11, 2019 4:51 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Update

Thanks Sofia and Daniel. We appreciate the opportunity for a call and please feel free to propose a time that works for you.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Sent: Wednesday, December 11, 2019 6:08 PM

To: Farber, Tim < TFarber@lockelord.com>; Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: RE: Update

Tim,

Daniel and I presented the case at today's Producer Enforcement Group Meeting. The Group authorized a settlement offer fine of \$1,500,000. As discussed, the offer is extended until December 24, 2019.

Attached is the revised proposed consent order. We will consider one final round of proposed edits, if the proposed edits are limited, and made in a good faith effort to settle the case.

We would like to discuss the circumstances of the Consent Order disclosure with you tomorrow, if you are available for a phone call during the second half of the day.

Please let us know if you have any questions.

Sincerely,



## Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

**From:** Farber, Tim [<u>mailto:TFarber@lockelord.com</u>]

Sent: Wednesday, December 11, 2019 9:54 AM

To: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for the email Daniel and Sofia.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>
Sent: Wednesday, December 11, 2019 11:45 AM

To: Farber, Tim <a href="Tearber@lockelord.com">Tearber@lockelord.com</a>; Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a> <a href="Celtarber@lockelord.com">Ce: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>

Subject: RE: Meeting Dates

Tim and Rob:

We are in receipt of your email and voicemails from earlier this morning. We will be presenting your offer later this morning to the Group, and are looking further into the circumstances of the Consent Order disclosure. We will send over the edited consent order language this afternoon. I don't know that we'll have time to call you back before the Group presentation this morning, but we will update you as soon as we have more information. Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Wednesday, December 11, 2019 8:53 AM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Sofia and Daniel. HPIH would like you to present its offer to the Group and appreciates you doing so. Please note that the language in the consent order is important and still needs to be agreed upon so we look forward to your draft. Also, HII is disappointed the confidential draft consent order provided on September 25<sup>th</sup>, 2019 was recently released and has been used by short sellers to already harm HII and its stock and believe that should be a mitigating factor for the amount of the fine.

Thanks.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>
Sent: Tuesday. December 10, 2019 5:07 PM

To: Farber, Tim <a href="Tisater@lockelord.com">Tisater@lockelord.com</a>; Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a> Co: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>

Subject: RE: Meeting Dates

Tim:

Sofia and I want to thank you for your continued good faith efforts at settlement negotiation, and given the movement that has been made, Sofia and I will present the proposed fine amount of \$875,000 to the Producer Enforcement Group tomorrow.

Sofia and I will be recommending that the Group approve a counter-offer of \$1.25 million.

Should HII respond prior to the Group meeting tomorrow at 11 AM PST with a different number closer to what Sofia and I will be recommending, we will provide the Group with HII's updated proposal.

Please feel free to follow up with further questions, otherwise, we will update you after the Group has met,

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 daniel ligoic wa gov

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Insurance Consumer Hotline 1.800.562.6900

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, December 10, 2019 1:58 PM
To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Levin, Alan < Alan, Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: Re: Meeting Dates

Sofia,

Thank you for your email. HPIH has increased its fine amount to \$875,000. HPIH would like to see a draft order and continue to work out a resolution in good faith. Thanks.

Tim

On Dec 10, 2019, at 3:27 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov > wrote:

Tim,

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 548 of 761 PageID 950

To clarify, Daniel and I have the discretion to present new fine recommendations to the Producer Enforcement Group, if the circumstances are appropriate.

Your fine proposal is a drastic departure from the initial fine amount the Group approved. During our settlement negotiations, HPIH has not presented information sufficient to justify the requested fine decrease. In addition, the fine proposal is unreasonable in light of the OIC's findings and authority. Because of this, Daniel and I will not present the fine offer to the Group. The OIC is hopeful that HPIH can come back with a settlement offer that is more conducive towards resolving this matter. If you would like to discuss further, please feel free to contact us. Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 11:49 AM

To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for the information. HPIH has provided the below offer which we are authorized to provide and requested it be submitted to the Producer Enforcement Group.

On Dec 10, 2019, at 1:28 PM, Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > wrote:

Tim,

In addition, in light of the unreasonable fine proposal, the OIC will not be sending a final proposed consent order tomorrow. We will await your response.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Tuesday, December 10, 2019 11:17 AM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: RE: Meeting Dates

Tim:

Sofia and I will not be presenting this amount to the Producer Enforcement Group tomorrow, as neither of us can support recommending the adoption of this fine.

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.goy

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 11:04 AM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

**Subject:** RE: Meeting Dates Thank you Daniel and Sofia.

I am authorized to present the following on behalf of Health Plan Intermediaries Holdings (HPIH): \$200,000 fine

HPIH would also be willing to consider:

- Not commencing the sale of short term medical policies for a period to be agreed without prior consent
  of the Commissioner.
- Consider an element of suspended fine amount if the amount paid up front is \$200,000.
- A grace period of three months prior to imposing any suspended fine amount to correct any perceived existing violations.

Thank you.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>
Sent: Tuesday, December 10, 2019 10:53 AM

To: Farber, Tim <a href="TiFarber@lockelord.com">To: Farber, Tim <a href="TiFarber@lockelord.com">TiFarber@lockelord.com</a>; Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
Cc: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>>

Subject: RE: Meeting Dates

Tim:

I just got your voicemail about the timing for the proposed fine amount. Sofia and I will need that by the close of business today to give us adequate time to present it tomorrow,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 daniel|@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 9, 2019 2:26 PM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia.

Thanks again for speaking with us regarding the proposed consent order for HPIH. We have provided some changes and language in the attached. HPIH is still working on the revised fine proposal and we hope to be able to provide that to you soon.

Thanks again for your consideration and please do not hesitate to let us know if you have any questions. Best Regards.

Tim

From: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>

Sent: Tuesday, November 26, 2019 6:18 PM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Co: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: RE: Meeting Dates

Tim:

Let's do 10:30,

Hope everyone enjoys a happy and restful Thanksgiving,

Sincerely,

### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli Moje, wa gov.

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

**Subject:** RE: Meeting Dates

Sofia,

How about Wednesday, December  $4^{th}$ , from 8:30-9:30 am PT or Wednesday, December  $4^{th}$ , from 10:30-11:30 am PT? Rob, Alan and me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in number. Thanks again.

Tim

From: Farber, Tim

Sent: Tuesday, November 26, 2019 5:25 PM

To: 'Pasarow, Sofia (OIC)' <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

**Cc:** Levin, Alan < <u>Alan.Levin@lockelord.com</u>>; McKenna, Rob < <u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times. Best Regards.

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim <a href="Tearber@lockelord.com">Tearber@lockelord.com</a>; Jacobs, Daniel (OIC) <a href="Quantum substance">Quantum substance</a> (Paniell@oic.wa.gov>Co: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>>

Subject: RE: Meeting Dates

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 550 of 761 PageID 952

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday,

December 5, 2019, from 8:30am to 3:00pm.

Please let me know if there is a date and time that works best for you and others who wish to attend the conference call.

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov > Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and Daniel,

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Link: https://lockelord.box.com/s/ifl2gqgqr67dx1dubwmagqymlrgosjfx

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

Sincerely,

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Sent: Thursday, October 31, 2019 3:45 PM To: Farber, Tim <TFarber@lockelord.com> Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RF: Meeting Dates

Thank you for the prompt response and update. We look forward to hearing from you next week. Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com] Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in response to the information request and we will provide you the track changes to

the consent order and accompanying information by Nov.  $8^{\mbox{th}}$  .

Thanks again and please do not hesitate to let us know if you have any questions.

Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Sent: Wednesday, October 30, 2019 1:22 PM To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

**Cc:** Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further auestions.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim < <a href="mailto:TFarber@lockelord.com">! Jacobs, Daniel (OIC) < Daniell@oic.wa.gov></a>
Co: Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">!Alan.Levin@lockelord.com</a>; McKenna, Rob < <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>>

Subject: RE: Meeting Dates

Tim.

Thank you for the update. We will look forward to hearing from you soon. Please let us know if you have additional questions.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC . As an update additional documents were provided by Stephanie Ferrell at the OIC on Friday and she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible.

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and confirmed.

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Monday, October 14, 2019 2:00 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed that there would be track change edits to the consent order we would be talking about this Wednesday.

We look forward to speaking further on Wednesday,

Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 11:30 AM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before marking up the order. Please let us know if that is O.K. Thanks.

Tim

From: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Sent: Monday, October 14, 2019 1:25 PM

To: Farber, Tim <\(\text{TFarber@lockelord.com}\); Pasarow, Sofia (OIC) <\(\text{SofiaP@oic.wa.gov}\)

Cc: Levin, Alan <\(\text{Alan.Levin@lockelord.com}\); McKenna, Rob <\(\text{rmckenna@orrick.com}\)

Subject: RE: Meeting Dates

To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, October 14, 2019 10:07 AM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel,

Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

**Sent:** Friday, October 11, 2019 11:00 AM

**To:** Farber, Tim < <u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Tim:

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM

PST.

Toll Free

+1-855-929-3239

Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,

### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 8:36 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Great, thanks. Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

That sounds great. I will have someone in our office arrange for a conference call number for you to call into an Wednesday

Sincerely,

**Daniel Jacobs** 

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Daniel.

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards,

Tim

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

Tim

From: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>
Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>. Please let us know if any of these times work for you,

Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 daniel|@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, October 10, 2019 7:19 AM
To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Sofia,

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks.

HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim

Tim Farber

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 554 of 761 PageID 956

Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 9, 2019 10:47 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Subject: RE: Meeting Dates

Tim,

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive. Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, October 8, 2019 10:57 AM
To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Sofia,

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

-Tim Farber (Locke Lord LLP)

-Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)

-Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting . Please feel free to let me know if you have any questions. Thanks.

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Friday, October 4, 2019 5:47 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: Meeting Dates

Tim,

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting. Please feel free to email me if you have any questions.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

For more information visit  $\underline{www.lockelord.com}$ 

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 555 of 761 PageID 957

From: Farber, Tin

To: <u>Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)</u>
Cc: <u>Levin, Alan; McKenna, Rob</u>

Subject: RE: Meeting Dates

Date: Wednesday, December 11, 2019 9:53:49 AM

Attachments: image001.pnq

Thank you for the email Daniel and Sofia.

Best Regards,

Tim

From: Jacobs, Daniel (OIC)

Sent: Wednesday, December 11, 2019 11:45 AM

To: Farber, Tim; Pasarow, Sofia (OIC)
Cc: Levin, Alan; McKenna, Rob
Subject: RE: Meeting Dates

Tim and Rob:

We are in receipt of your email and voicemails from earlier this morning. We will be presenting your offer later this morning to the Group, and are looking further into the circumstances of the Consent Order disclosure. We will send over the edited consent order language this afternoon. I don't know that we'll have time to call you back before the Group presentation this morning, but we will update you as soon as we have more information.

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 daniel livoic wa gov

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 $\textbf{From:} \ \mathsf{Farber}, \mathsf{Tim} \ [\underline{\mathsf{mailto:}} \mathsf{TFarber} @ lockelord.com]$ 

Sent: Wednesday, December 11, 2019 8:53 AM

To: Jacobs, Daniel (OIC) < <a href="DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you Sofia and Daniel. HPIH would like you to present its offer to the Group and appreciates you doing so. Please note that the language in the consent order is important and still needs to be agreed upon so we look forward to your draft. Also, HII is disappointed the confidential draft consent order provided on September 25<sup>th</sup>, 2019 was recently released and has been used by short sellers to already harm HII and its stock and believe that should be a mitigating factor for the amount of the fine.

Thanks.

Best Regards,

Tim

From: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>

Sent: Tuesday, December 10, 2019 5:07 PM

**To:** Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

Sofia and I want to thank you for your continued good faith efforts at settlement negotiation, and given the movement that has been made, Sofia and I will present the proposed fine amount of \$875,000 to the Producer Enforcement Group tomorrow.

Sofia and I will be recommending that the Group approve a counter-offer of \$1.25 million.

Should HII respond prior to the Group meeting tomorrow at 11 AM PST with a different number closer to what Sofia and I will be recommending, we will provide the Group with HII's updated proposal.

Please feel free to follow up with further questions, otherwise, we will update you after the Group has met,

Sincerely



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, December 10, 2019 1:58 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

 $\textbf{Cc:} \ Jacobs, Daniel (OIC) < \underline{DanielJ@oic.wa.gov}; Levin, Alan < \underline{Alan.Levin@lockelord.com}; McKenna, Rob < \underline{rmckenna@orrick.com} > \underline{Rob < \underline{$ 

Subject: Re: Meeting Dates

Sofia,

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 556 of 761 PageID 958

Thank you for your email. HPIH has increased its fine amount to \$875,000. HPIH would like to see a draft order and continue to work out a resolution in good faith. Thanks.

Tim

On Dec 10, 2019, at 3:27 PM, Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov > wrote:

Tim,

To clarify, Daniel and I have the discretion to present new fine recommendations to the Producer Enforcement Group, if the circumstances are appropriate.

Your fine proposal is a drastic departure from the initial fine amount the Group approved. During our settlement negotiations, HPIH has not presented information sufficient to justify the requested fine decrease. In addition, the fine proposal is unreasonable in light of the OIC's findings and authority. Because of this, Daniel and I will not present the fine offer to the Group. The OIC is hopeful that HPIH can come back with a settlement offer that is more conducive towards resolving this matter.

If you would like to discuss further, please feel free to contact us.

Sincerely.

#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, December 10, 2019 11:49 AM
To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < rmckenna@orrick.com>

Subject: Re: Meeting Dates

Thank you for the information. HPIH has provided the below offer which we are authorized to provide and requested it be submitted to the Producer Enforcement Group.

On Dec 10, 2019, at 1:28 PM, Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > wrote:

Tim

In addition, in light of the unreasonable fine proposal, the OIC will not be sending a final proposed consent order tomorrow. We will await your response.

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Tuesday, December 10, 2019 11:17 AM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: RE: Meeting Dates

Tim:

Sofia and I will not be presenting this amount to the Producer Enforcement Group tomorrow, as neither of us can support recommending the adoption of this fine.

Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, December 10, 2019 11:04 AM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

**Subject:** RE: Meeting Dates Thank you Daniel and Sofia.

I am authorized to present the following on behalf of Health Plan Intermediaries Holdings (HPIH):

\$200,000 fine

HPIH would also be willing to consider:

- Not commencing the sale of short term medical policies for a period to be agreed without prior consent of the Commissioner.
- Consider an element of suspended fine amount if the amount paid up front is \$200,000.
- A grace period of three months prior to imposing any suspended fine amount to correct any perceived existing violations

Thank you. Best Regards,

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, December 10, 2019 10:53 AM

To: Farber, Tim < TFarber@lockelord.com>; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov> Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RF: Meeting Dates

I just got your voicemail about the timing for the proposed fine amount. Sofia and I will need that by the close of business today to give us adequate time to present it tomorrow,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, December 9, 2019 2:26 PM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia.

Thanks again for speaking with us regarding the proposed consent order for HPIH. We have provided some changes and language in the attached. HPIH is still working on the revised fine proposal and we hope to be able to provide that to you soon

Thanks again for your consideration and please do not hesitate to let us know if you have any questions. Best Regards,

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Tuesday, November 26, 2019 6:18 PM

To: Farber, Tim <TFarber@lockelord.com>: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov> Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Let's do 10:30,

Hope everyone enjoys a happy and restful Thanksgiving,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360.725.726A 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia.

How about Wednesday, December 4<sup>th</sup>, from 8:30-9:30 am PT or Wednesday, December 4<sup>th</sup>, from 10:30-11:30 am PT? Rob, Alan and me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in number. Thanks again. Tim

Sent: Tuesday, November 26, 2019 5:25 PM

To: 'Pasarow, Sofia (OIC)' < Sofia P@oic.wa.gov >; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov > Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 558 of 761 PageID 960

checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times. Best Regards,

Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim < TFarber@lockelord.com >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Mr. Farber,

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday,

December 5, 2019, from 8:30am to 3:00pm.

Please let me know if there is a date and time that works best for you and others who wish to attend the conference call.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan,Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia and Daniel,

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Thanks.

 $Link: \underline{https://lockelord.box.com/s/ifl2gqgqr67dx1dubwmagqymlrgosjfx}$ 

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

Sincerely, Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Thursday, October 31, 2019 3:45 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Tim,

Thank you for the prompt response and update. We look forward to hearing from you next week. Sincerely,

## Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia,

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in response to the information request and we will provide you the track changes to

the consent order and accompanying information by Nov.  $8^{\text{th}}$ .

Thanks again and please do not hesitate to let us know if you have any questions.

Sincerely,

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Sent: Wednesday, October 30, 2019 1:22 PM

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 559 of 761 PageID 961

To: Farber, Tim <\(\text{Tearber@lockelord.com}\); Jacobs, Daniel (OIC) <\(\text{DanielJ@oic.wa.gov}\)> Cc: Levin, Alan <\(\text{Alan.Levin@lockelord.com}\); 'McKenna, Rob' <\(\text{rmckenna@orrick.com}\)>

Subject: RE: Meeting Dates

Tim

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes.

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further questions.

Sincerely,

#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim < TFarber@lockelord.com>; Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>
Cc: Levin, Alan < Alan.Levin@lockelord.com>; McKenna, Rob < mckenna@orrick.com>

Subject: RE: Meeting Dates

Tim.

Thank you for the update. We will look forward to hearing from you soon. Please let us know if you have additional questions.

Sincerely.

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC . As an update additional documents were provided by Stephanie Ferrell at the OIC on Friday and she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible.

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and confirmed.

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct

From: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>

Sent: Monday, October 14, 2019 2:00 PM

To: Farber, Tim <a href="TiFarber@lockelord.com">To: Farber, Tim <a href="TiFarber@lockelord.com">TiFarber@lockelord.com</a>; Pasarow, Sofia (OIC) <a href="Sofia@oic.wa.gov">Sofia@oic.wa.gov</a> <a href="CC">CC: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="TimeRenna@orrick.com">TimeRenna@orrick.com</a>>

Subject: RE: Meeting Dates

Tim:

That's not a problem. I think Sofia and I must have misunderstood something along the way, because I

think we both assumed that there would be track change edits to the consent order we would be talking about this Wednesday.

We look forward to speaking further on Wednesday,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 11:30 AM

To: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before marking up the order. Please let us know if that is O.K. Thanks.

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Monday, October 14, 2019 1:25 PM

To: Farber, Tim <a href="TiFarber@lockelord.com">To: Farber, Tim <a href="TiFarber@lockelord.com">TiFarber@lockelord.com</a>; Pasarow, Sofia (OIC) <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>
Co: Levin, Alan <a href="Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>; McKenna, Rob <a href="mailto:rmckenna@orrick.com">rmckenna@orrick.com</a>>

Subject: RE: Meeting Dates

To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 10:07 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel,

Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Friday, October 11, 2019 11:00 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Tim:

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST.

Toll Free

+1-855-929-3239

Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Friday, October 11, 2019 8:36 AM

To: Jacobs, Daniel (OIC) < <a href="DanielJ@oic.wa.gov">DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

 ${\it Great, thanks.}$ 

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Tim:

That sounds great. I will have someone in our office arrange for a conference call number for you to call into on Wednesday.

Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <a href="DanielJ@oic.wa.gov">DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan <Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Daniel,

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks. Best Regards,

Tim

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>. Please let us know if any of these times work for you, Sincerely,

# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, October 10, 2019 7:19 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Levin, Alan < <a href="mailto:Alan.Levin@lockelord.com">Alan.Levin@lockelord.com</a>>

Subject: RE: Meeting Dates

Sofia.

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks.

HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 562 of 761 PageID 964

outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim

Tim Farber Locke Lord LLP

111 South Wacker Drive

Chicago, IL 60606

(312) 443-0532 Direct

tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 9, 2019 10:47 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Tim,

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive. Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, October 8, 2019 10:57 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: RE: Meeting Dates

Sofia.

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

- -Tim Farber (Locke Lord LLP)
- -Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)
- -Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting . Please feel free to let me know if you have any questions. Thanks.

Best, Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Sent: Friday, October 4, 2019 5:47 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Subject: Meeting Dates

Tim,

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting. Please feel free to email me if you have any questions.

Sincerely,

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

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From: Churchill, Harvey (OIC)
To: "Eric Camil"

Subject: RE: HIIQ: Health Insurance Innovations: \$2M Fine Highlights A Series Of Compliance Concerns

Date: Wednesday, December 11, 2019 7:54:00 AM

Attachments: image001.png

American Financial didn't come up here, but they aren't an authorized carrier in Washington anyways. I understand HII was getting in to life insurance lines but not sure about Washington



# Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic.wa.gov

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From: Eric Camil [mailto:ewcamil@comcast.net]
Sent: Wednesday, December 11, 2019 7:18 AM

To: Churchill, Harvey (OIC)

Subject: RE: HIIQ: Health Insurance Innovations: \$2M Fine Highlights A Series Of Compliance Concerns

Morning,

Yes I did a FOIA to TDI and have a copy of the complaint made to the TXAG by the same complainant. TDI for some reason believes American Financial Life Insurance company is the one the agent worked for but I have no idea how they come up with them. Waiting to hear back from them.

From: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov > Sent: Wednesday, December 11, 2019 10:14 AM

To: Eric Camil < ewcamil@comcast.net >

Subject: RE: HIIQ: Health Insurance Innovations: \$2M Fine Highlights A Series Of Compliance Concerns

Morning!

Thank you, interesting read.



## Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)

HarveyC@oic.wa.goy

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From: Eric Camil [mailto:ewcamil@comcast.net]

Sent: Wednesday, December 11, 2019 6:56 AM

To: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>

Subject: HIIQ: Health Insurance Innovations: \$2M Fine Highlights A Series Of Compliance Concerns

FYI.

https://seekingalpha.com/article/4311835-health-insurance-innovations-2m-fine-highlights-series-of-compliance-concerns?app=1&dr=1&utm\_medium=email&utm\_source=seeking\_alpha

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 565 of 761 PageID 967

From: Churchill, Harvey (OIC)

To: <u>Jacobs, Daniel (OIC)</u>; <u>Pasarow, Sofia (OIC)</u>
Subject: FW: Magna question from HII

Date: Wednesday, December 4, 2019 9:14:59 AM

Attachments: image001.png

Just an FYI, Daniel and I were discussing this morning.

Magna Munroe covered claims post Gerber.



# Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office) HarveyC@oic.wa.gov

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From: Catherine A.Woods [mailto:woods@carneylaw.com]

Sent: Wednesday, November 20, 2019 3:10 PM

**To:** Churchill, Harvey (OIC) **Cc:** Andrea Williams

Subject: RE: Magna question

Harvev

My client provided the following response to your question: "Magna Monroe collected membership dues on behalf of ACUSA and paid claims from those membership fees."

I anticipate you will have some follow-up questions. My client wishes to cooperate with your investigation fully, and to be completely transparent. To that end, if it would help to set up a call with you, we welcome the opportunity, both to timely and completely answer any questions you may have, and to provide context.

Thank you.

Catherine A. Woods

Attorney

### CARNEY BADLEY SPELLMAN, P.S.

206-607-4192 Direct | 206-622-8020 Main

Bio | Address | Website

woods@carneylaw.com

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From: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov>

**Sent:** Monday, November 18, 2019 6:58 AM **To:** Catherine A.Woods <<u>woods@carneylaw.com</u>>

Subject: RE: Magna question

Thank you for getting back to me, I will await the response.

Harv



# Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)

HarveyC@oic.wa.gov

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From: Catherine A.Woods [mailto:woods@carneylaw.com]

**Sent:** Friday, November 15, 2019 10:52 AM

**To:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>> **Cc:** Andrea Williams < <u>awilliams@carneylaw.com</u>>

**Subject:** Magna question

Harvey,

When we spoke earlier this week, I promised to provide an answer to your question re: who the obligor was on policies issued after Gerber Life terminated, specifically in the 2017 and 2018 timeframe.

I have reached out to my client, and learned the person who is best positioned to answer this question is out of the office until next week, as his step-child is getting married out of state.

I was unaware of this client commitment, so apologize for not having an answer for you today. I will speak to my client next week and get you the information as soon as possible.

Thank you.

Catherine A. Woods

Attorney

# **CARNEY BADLEY SPELLMAN, P.S.**

206-607-4192 Direct | 206-622-8020 Main

Bio | Address | Website

woods@carneylaw.com

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 567 of 761 PageID 969

 From:
 Klotz, Kara (OIC)

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

**Subject:** RE: media inquiry about an order **Date:** Tuesday, December 3, 2019 1:37:35 PM

Attachments: image002.png image003.png

Thanks, Sofia!

## Kara Klotz



From: Pasarow, Sofia (OIC)

Sent: Tuesday, December 3, 2019 1:34 PM

**To:** Klotz, Kara (OIC) **Cc:** Jacobs, Daniel (OIC)

Subject: RE: media inquiry about an order

Kara,

The case the reporter is referring to is Health Plan Intermediaries Holdings, LLC. We sent a proposed consent order (#19-0477) on September 25, 2019. The consent order is not listed on the website because we are still negotiating the terms and conditions of the Order. HII's 90-day deadline to demand a hearing is December 24, 2019. We will let you know if we execute the consent order.

Please feel free to let Daniel and I know if you have any other questions.

Sincerely,



### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Mince, Mike (OIC)

Sent: Tuesday, December 3, 2019 1:25 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Subject: FW: media inquiry about an order

Sofia,

Could you please respond to Kara?

Thanks,



# Mike Mince

Operations Manager, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7179 (office) mikem@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Tuesday, December 3, 2019 11:37 AM

To: Mince, Mike (OIC) < MikeM@oic.wa.gov >
Subject: media inquiry about an order

## Hi Mike,

I've got a media inquiry about an order against Health Insurance Innovations aka Health Plan Intermediaries Holdings. I've searched our website and SIMBA and I can't find any orders against anything with either name. The reporter wants to know if we have an order (PS the orders page isn't working for me so if you can send a link that would be helpful). Do you have any info on that?

Thanks.



## Kara Klotz

Social Media Manager, Public Affairs Washington state Office of the Insurance Commissioner 360.725.7053 o | 360.451.3435 m Pronouns: she, her

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 569 of 761 PageID 971

From: Farber, Tim

To: Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)
Cc: Levin, Alan; McKenna, Rob

Subject: RE: Meeting Dates

Date: Tuesday, November 26, 2019 4:45:00 PM

Attachments: image001.png

Thanks Daniel. Wishing everyone a Happy Thanksgiving as well!

Tim

From: Jacobs, Daniel (OIC)

Sent: Tuesday, November 26, 2019 6:18 PM To: Farber, Tim; Pasarow, Sofia (OIC) Cc: Levin, Alan; McKenna, Rob Subject: RE: Meeting Dates

Tim:

Let's do 10:30,

Hope everyone enjoys a happy and restful Thanksgiving,

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, November 26, 2019 3:58 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov > Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < mckenna@orrick.com >

Subject: RE: Meeting Dates

Sofia,

How about Wednesday, December 4<sup>th</sup>, from 8:30-9:30 am PT or Wednesday, December 4<sup>th</sup>, from 10:30-11:30 am PT? Rob, Alan and me will participate again. Please let me know what time is preferable for you and I can send around a calendar invite with a call-in number. Thanks again.

From: Farber, Tim

Sent: Tuesday, November 26, 2019 5:25 PM

To: 'Pasarow, Sofia (OIC)' <<u>SofiaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Sofia.

Thank you for your email. We appreciate your review and the opportunity to further our discussion. I am checking with Rob and Alan and will get back to you as soon as possible regarding the below proposed times.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Sent: Tuesday, November 26, 2019 5:05 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Mr. Farber,

We have finished our review of the letter and proposed edits to the consent order. Daniel and I would like to set up a conference call next week to discuss the letter and proposed edits.

Our schedules are free on Wednesday, December 4, 2019, from 8:30am to 11:30am and Thursday, December 5, 2019, from 8:30am to 3:00pm. Please let me know if there is a date and time that works best for you and others who wish to attend the conference call. Sincerely,



## Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 570 of 761 PageID 972

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, November 8, 2019 3:37 PM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov > Cc: Levin, Alan < Alan.Levin@lockelord.com >; McKenna, Rob < rmckenna@orrick.com >

Subject: RE: Meeting Dates

Sofia and Daniel,

Please see the attached letter along with track line changes to proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. The attachments referenced in the letter can be found at the below link. Thanks again for the opportunity to provide additional information and we look forward to continuing to work with you regarding a settlement in this matter.

Thanks.

Link: https://lockelord.box.com/s/ifl2gqgqr67dx1dubwmagqymlrgosjfx

Password: hfb27Ybc#&!WXcmK

[you may copy and paste the password when prompted]

Sincerely,

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Thursday, October 31, 2019 3:45 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Tim

Thank you for the prompt response and update. We look forward to hearing from you next week.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Wednesday, October 30, 2019 11:31 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov> Co: Levin, Alan < Alan.Levin@lockelord.com>; 'McKenna, Rob' < rmckenna@orrick.com>

Subject: RE: Meeting Dates

Sofia,

Thank you for the email. The company is diligently working on gathering documentation and reviewing what was provided by the OIC in response to the information request and we will provide you the track changes to the consent order and accompanying information by Nov. 8<sup>th</sup>.

Thanks again and please do not hesitate to let us know if you have any questions.

Sincerely,

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 30, 2019 1:22 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; 'McKenna, Rob' <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim,

Daniel and I wanted to check in and receive an update. As discussed, the OIC has requested that you submit proposed edits and comments to the consent order via tracked changes.

We would like to receive these proposed edits by November 8, 2019. Please let us know if you have any further questions.

Sincerely.



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

Sent: Tuesday, October 22, 2019 2:39 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 571 of 761 PageID 973

Tim,

Thank you for the update. We will look forward to hearing from you soon.

Please let us know if you have additional questions.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 22, 2019 2:09 PM

To: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel and Sofia,

Thanks again for speaking with us last Wednesday regarding proposed Consent Order No. 19-0477 for Health Plan Intermediaries Holdings, LLC. As an update additional documents were provided by Stephanie Ferrell at the OIC on Friday and she noted in her correspondence more documents will be provided by November 15, 2019. We continue to review those documents and HII is also reviewing internal documents so we may provide meaningful comments to the proposed consent order as soon as possible.

Daniel, thanks for speaking with me today and we very much appreciate you having provided us the opportunity to continue to work in good faith on a settlement after this Friday given the amount of documents and items that need to be reviewed and confirmed.

Thanks again and please do not hesitate to reach out to me with any questions.

Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>

Sent: Monday, October 14, 2019 2:00 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OlC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed that there would be track change edits to the consent order we would be talking about this Wednesday.

We look forward to speaking further on Wednesday,

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 11:30 AM

To: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before marking

up the order. Please let us know if that is O.K.

Thanks

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> Sent: Monday, October 14, 2019 1:25 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Monday, October 14, 2019 10:07 AM

To: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel,

Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.

From: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>

Sent: Friday, October 11, 2019 11:00 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

**Cc:** Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Tim:

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST.

Toll Free

+1-855-929-3239

Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

### **Protecting Insurance Consumers**

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 8:36 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Great, thanks.

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Tim:

That sounds great. I will have someone in our office arrange for a conference call number for you to call into on Wednesday.

#### Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli ligoic wa gry

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Daniel.

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>.

Please let us know if any of these times work for you,

### Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, October 10, 2019 7:19 AM
To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Sofia,

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks. HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 574 of 761 PageID 976

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive

Chicago, IL 60606 (312) 443-0532 Direct

tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 9, 2019 10:47 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Tim

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 8, 2019 10:57 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Sofia,

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

- -Tim Farber (Locke Lord LLP)
- -Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)
- -Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting . Please feel free to let me know if you have any questions. Thanks.

Best, Tim

From: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Sent: Friday, October 4, 2019 5:47 PM

To: Farber, Tim < TFarber@lockelord.com>
Cc: Jacobs, Daniel (OIC) < Daniell@oic.wa.gov>

Subject: Meeting Dates

Tim,

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting. Please feel free to email me if you have any questions.

Sincerely,



## **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

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From: Hood, Toni (OIC)

 To:
 Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

 Subject:
 RE: HII

 Date:
 Monday, November 18, 2019 2:33:00 PM

Attachments: image001.png

OK – Let me know if think you are close to settling after you have had a chance to review their edits. Thank you,



### Toni Hood

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255
360.725.7050 (office) tonih@oic.wa.gov

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From: Jacobs, Daniel (OIC)

**Sent:** Monday, November 18, 2019 2:31 PM **To:** Hood, Toni (OIC); Pasarow, Sofia (OIC)

Subject: RE: HII

Toni:

Catherine Woods is counsel for Magna Monroe, one of the many entities involved with HII, but she does not represent HII

itself

They provided us proposed edits to the Consent Order on 11/8/19 and some other materials that Sofia and I have been looking through, but we haven't formally responded yet,

Sincerely,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Hood, Toni (OIC)

Sent: Monday, November 18, 2019 2:28 PM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Subject: HII

Anything new on this case other than you sent the order back to them on 11/8? I saw that Catherine Woods is on as counsel. Do you think that change will mean a delay in the case?



## Toni Hood

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255
360.725.7050 (office) tonih@oic.wa.gov

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 From:
 Hood, Toni (OIC)

 To:
 Mince, Mike (OIC)

Subject: RE: Executive Summary updates due today

Date: Monday, November 18, 2019 2:21:00 PM

Attachments: image001.png

Thanks – I do have questions on Trinity and HII. Trinity we will have to wait for Kim to come back on Wednesday. I am going to check with Daniel and Sofia about HII.



#### **Toni Hood**

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 360.725.7050 (office) tonih@oic.wa.gov

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From: Mince, Mike (OIC)

Sent: Friday, November 15, 2019 5:20 PM

To: Hood, Toni (OIC)

Subject: FW: Executive Summary updates due today

Toni,

The link to the executive summary (word document) is below.

Please take a look on Monday and if you have questions for Tyler or Darryl, they can update again before Tuesday's deputies meeting.

v/r,



#### Mike Mince

Operations Manager, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7179 (office) mikem@oic.wa.gov

From: Mince, Mike (OIC)

Sent: Friday, November 15, 2019 11:58 AM

To: Colman, Darryl (OIC) < <a href="mailto:DarrylC@oic.wa.gov">DarrylC@oic.wa.gov</a>>; Robbins, Tyler (OIC) < <a href="mailto:TylerR@oic.wa.gov">TylerR@oic.wa.gov</a>>

Subject: Executive Summary updates due today

Gents,

Since I am out on Monday for my flex day, please complete any updates to the executive summary today.

I know we just did it Tuesday, so there should only be minor changes.

It is located at **Executive Summary** 

Please let me know when you are done.

v/r,



#### Mike Mince

Operations Manager, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7179 (office) mikem@oic.wa.gov From: Churchill, Harvey (OIC)
To: Jacobs, Daniel (OIC)

Subject: FW: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

**Date:** Tuesday, October 22, 2019 1:29:56 PM

Attachments: image001.png image002.png

#### Daniel.

FYI, this was our request.



## Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic.wa.gov

## **Protecting Insurance Consumers**

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**From:** Bullington, Jessica (OIC) **Sent:** Monday, May 13, 2019 2:58 PM

To: Scott Intravia

Cc: Churchill, Harvey (OIC)

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Thank you for the update. We will wait to hear from your counsel. Have a great week!

Sincerely,



#### Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255 Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782

<u>JessicaB@oic,wa.gov</u> www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

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From: Scott Intravia [mailto:sintravia@magnamonroe.com]

**Sent:** Monday, May 13, 2019 2:55 PM

**To:** Bullington, Jessica (OIC) < <a href="mailto:lessicaB@oic.wa.gov">lessicaB@oic.wa.gov</a> <a href="mailto:cc: Churchill">Cc: Churchill</a>, Harvey (OIC) < <a href="mailto:HarveyC@oic.wa.gov">HarveyC@oic.wa.gov</a>

Subject: Re: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Bullington, I wanted to give you the courtesy of a follow up and let you know that after reviewing the questions you have asked and seeking advise or feedback from my other colleagues, I have asked counsel to follow up with your office on my behalf directly to address questions or clarify anything I may have provided based on my understandings. Please let me know if you have any questions and I hope all is well.

Thanks Scott

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From: Bullington, Jessica (OIC) < jessicab@oic.wa.gov>

Sent: Monday, April 22, 2019 10:17 AM

To: Scott Intravia

Cc: Churchill, Harvey (OIC)

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Thank you for the additional information. Please give me a call next week when you are back and we can discuss this further. We appreciate your help and look forward to speaking with you next week.

Sincerely,



#### Jessica Bullington

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782

JessicaB@oic.wa.gov

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

From: Scott Intravia [mailto:sintravia@magnamonroe.com]

Sent: Sunday, April 21, 2019 12:41 AM

**To:** Bullington, Jessica (OIC) < <a href="mailto:lessicaB@oic.wa.gov">lessicaB@oic.wa.gov</a> <a href="mailto:Cc: Churchill">Cc: Churchill</a>, Harvey (OIC) < <a href="mailto:HarveyC@oic.wa.gov">HarveyC@oic.wa.gov</a> <a href="mailto:LaveyC@oic.wa.gov">LaveyC@oic.wa.gov</a> <a

Subject: Re: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Bullington, I apologize for the delayed response and respectfully request additional time to try and help you. I have been on the road and will be gone again all next week. Magna Monroe Management Group is an LLC in Louisiana and entered into a consulting agreement on 1/23/2016 with Alliance for Consumers USA (ACUSA) domiciled in the state of Nebraska. At that time ACUSA had an existing Rx benefit that was provided to the members under a policy issued to ACUSA from Gerber Life Insurance Company. To the best of my knowledge, the Rx plan was available for WA residents under the Gerber policy. Once ACUSA received termination of the Gerber Rx policy, all marketing partners that sell ACUSA memberships were provided an updated state listing which did not include WA and to the best of my knowledge HII and one other marketing company stopped soliciting memberships that included an Rx benefit.

I have requested membership information from ACUSA and it's TPA Equipoint Partners for the membership data you requested and should have that listing soon. It should match the information that HII had previously provided. I think I answered many of your questions and appreciate your understanding or consideration of the extension requested. I am not sure I understand some of the questions as it relates to obligations or obligator and have been providing information to assist with the HII investigation you initially referred to. Would it make sense to discuss when I get back to the office the week after next? Please advise.

Thanks

Scott

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From: Bullington, Jessica (OIC) < <u>iessicab@oic.wa.gov</u>>

Sent: Wednesday, April 10, 2019 2:44 PM

To: Scott Intravia

Cc: Churchill, Harvey (OIC)

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Scott:

We have not received a response to the inquiry that was sent to you on March 27, 2019. The original email is included below. Please provide your response as soon as possible and no later than **April 17**,

#### 2019.

#### Sincerely,



#### **Jessica Bullington**

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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From: Bullington, Jessica (OIC)

Sent: Wednesday, March 27, 2019 2:50 PM

**To:** 'Scott Intravia' < <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:cc">Cc: Churchill, Harvey (OIC) < <a href="mailto:HarveyC@oic.wa.gov">HarveyC@oic.wa.gov</a> <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:sintravia@magnamonroe.com">sintravia@magnamonroe.com</a> <a href="mailto:sintravia">sintravia@magnamonroe.com</a> <a href="mailto:sintravia">sintra

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Importance: High

Scott:

Thank you for the additional information. Am I correct in understanding that prior to 2016 the coverage was underwritten by Gerber and since then the obligation has been assumed by the Association? Based on my understanding of your response, we do have some additional questions at this time:

- What is the full legal name of the Gerber insurer that underwrote the coverage prior to 2016?
- What date did the insurance provided by Gerber end?
- Why did Gerber discontinue the coverage?
- Was the Gerber product approved for sale in Washington State?
- Is the product still being solicited to Washington consumers? If no, when did the solicitations stop?
- Did you notify HII that the coverage was not available to Washington consumers?
- Is the Association the only entity that has been obligated to pay claims for the Washington consumers since the Gerber coverage ceased?
- What is the full legal name of the Association?
- Please provide us with the name, phone number, and email of an appropriate contact at the Association.
- What is Magna Monroe's involvement with the Association's coverage?
- What is EquiPoint Partners involvement with the Association's coverage?

Also, please provide us with the following documentation:

- Any correspondence in the possession of Magna Monroe in which HII is notified that the coverage is not available in Washington.
- A flowchart that identifies all entities, and their specific role(s), who are or were involved with the non-Gerber coverage that was sold to Washington consumers.
- A spreadsheet of all Washington consumers who were provided the coverage that was backed by the Association at any time during the period of January 1, 2016 through current. The spreadsheet shall include the following information for each policy/certificate:
  - oldentifying number (e.g. the policy, certificate, or account number)

- o Consumer name
- o Effective date of coverage
- Expiration date of coverage (If no longer active)
- o Total premium received to date: If the gross premium was received, please also provide the net premium retained and an itemization of all disbursements.
- o Name of the insurance producer

We appreciate your cooperation and look forward to your response. If you have any questions or concerns, please let me know as I am happy to assist you.

Sincerely,



## Jessica Bullington

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782

JessicaB@oic.wa.gov

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From: Scott Intravia [mailto:sintravia@magnamonroe.com]

Sent: Wednesday, March 27, 2019 7:35 AM

Subject: Re: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Burlington, I have requested the documents that were provided to the consumers listed in your spreadsheet since a lot changed in 2016 when Gerber terminated the business for the Association members. We did not want to leave any WA consumers without coverage if they needed it but active solicitations should have ceased and we still should not have anyone soliciting new business in WA as the replacement carriers Do not have an Association policy approved in your state.

For the consumers that retained their membership and pharmacy benefit, the Association has paid all claims on the same benefits that the member initially enrolled. HII issues the ID cards and a description of coverage and I will forward thosemupon receipt.

Hopefully this sheds some light but I thought it was important for you to understand.

I probably sparked more questions for you so please feel free to ask and I will help in anyway provide information or if we need to terminate the few members still active, please advise.

Thanks for your understanding

Scott

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From: Bullington, Jessica (OIC) < jessicab@oic.wa.gov>

**Sent:** Tuesday, March 26, 2019 1:30 PM

To: Scott Intravia

Cc: Churchill, Harvey (OIC)

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Mr. Intravia:

Thank you for your response. We would like to see a copy of the documentation that is issued to the

consumer even if the documentation is not a "policy". Please provide all documentation that a consumer receives (e.g. ID cards, coverage brochure, etc.) Also, please identify the underwriting carrier if this is an insurance product. If it is not an insurance contract, then please identify the obligor.



#### Jessica Bullington

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

From: Scott Intravia [mailto:sintravia@magnamonroe.com]

Sent: Tuesday, March 26, 2019 11:05 AM

To: Bullington, Jessica (OIC) < <a href="mailto:JessicaB@oic.wa.gov">JessicaB@oic.wa.gov</a>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Burlington,

This e-mail is in response your inquiry. Based upon the spreadsheet you previously provided, each association member's effective date and termination date have been added to the attached spreadsheet as well as the monthly association membership fees that were sent from HPIH.

1. What was the gross monthly premium?

Response: The association monthly membership fees with an Rx plan as listed in spreadsheet.

2. What was the gross premium for the term of the policy?

Response: The attached spreadsheet shows the total association monthly membership fees collected from HIPH.

3. Did the Company receive the gross premium or the net premium after commission was retained?

Response: Same as 2 above.

a. If the Company received the gross premium, how much commission was paid and who was the commission paid

to?

Response: The company received a monthly association membership fee which includes a net premium for an Rx program for the individuals in your sample.

b. If the Company received the net premium, what was the net premium received by month and for the entire term? Response: Please see attached.

4. What entity did the Company receive the premium payments from?

Response: HIPH

The Company does not issue any policies for this program.

Please let me know if you need anything else to assist. Thanks

Scott

From: Bullington, Jessica (OIC) [mailto:JessicaB@oic.wa.gov]

Sent: Monday, March 11, 2019 1:41 PM

To: Scott Intravia < sintravia@magnamonroe.com >

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Thank you!



#### Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

**From:** Scott Intravia [mailto:sintravia@magnamonroe.com]

Sent: Monday, March 11, 2019 10:27 AM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>> **Cc:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>

Subject: RE: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Ms. Bullington, I wanted to confirm receipt of your request and wanted to let you know I was working on gathering any information we have to assist and provide further data as requested. I hope to have something back to you by the end of the week.

Thanks Scott

From: Bullington, Jessica (OIC) [mailto:JessicaB@oic.wa.gov]

**Sent:** Thursday, February 28, 2019 6:33 PM **To:** Scott Intravia <<u>sintravia@magnamonroe.com</u>> **Cc:** Churchill, Harvey (OIC) <<u>HarveyC@oic.wa.gov</u>>

Subject: WA OIC Case #1593742 - Health Plan Intermediaries Holdings, LLC

Importance: High

The Washington State Office of the Insurance Commissioner (WA OIC) investigation related is currently investigating allegations made against Health Plan Intermediaries Holdings, LLC. ("HPIH"). As part of the investigation, the WA OIC is requesting information from Magna Monroe Management, LTD ("the Company"). Attached is a sampling taken from a spreadsheet provided by HPIH. Please review the sampling and provide the following data for all policies owned by each consumer that is named:

- 1. What was the gross monthly premium?
- 2. What was the gross premium for the term of the policy?
- 3. Did the Company receive the gross premium or the net premium after commission was retained?
  - a. If the Company received the gross premium, how much commission was paid and who was the commission paid to?
  - b. If the Company received the net premium, what was the net premium received by month and for the entire term?
- 4. What entity did the Company receive the premium payments from?

Also, please provide a sample of all versions of the policy that were issued to the consumers named on the spreadsheet. If all consumers were issued the same form, then please provide a single copy. If there were multiple products and/or versions of the form, please provide a single copy of each version.

Please provide your response as soon as possible and no later than **March 22, 2019**. If you have any questions, my contact information is below and I would be happy to assist you.

Sincerely,



## Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255

Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

 $\underline{www.insurance.wa.gov} \mid \underline{twitter.com/WA\ OIC} \mid \underline{wainsurance.blogspot.com} \mid \underline{email/text\ alerts}$ 

## Protecting insurance consumers

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 585 of 761 PageID 987

From: McKenna, Rob

To: Farber, Tim; Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Cc: Levin, Alan
Subject: RE: Meeting Dates

Date: Monday, October 14, 2019 5:05:31 PM

Attachments: image001.png image002.png

Thank you all. Talk to you by phone on Wednesday.

Rob

From: Farber, Tim

**Sent:** Monday, October 14, 2019 12:10 PM **To:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Cc: Levin, Alan; McKenna, Rob Subject: RE: Meeting Dates

Thanks very much Daniel and Sofia, and my apologies for the confusion. We look forward to talking on Wednesday and very much appreciate your time.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> Sent: Monday, October 14, 2019 2:00 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Tim:

That's not a problem. I think Sofia and I must have misunderstood something along the way, because I think we both assumed that there would be track change edits to the consent order we would be talking about this Wednesday.

We look forward to speaking further on Wednesday,

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 11:30 AM

To: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Co: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Thanks Daniel. We were planning on going over the comments we provided and discuss the legal issues and then based on that we could provide the follow-up and a revised consent order. We thought a legal call to discuss first would be helpful to both of us before marking up the order.

Please let us know if that is O.K.

Tim

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov > Sent: Monday. October 14. 2019 1:25 PM

To: Farber, Tim <<u>TFarber@lockelord.com</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

To be clear, Mr. McKenna is more than welcome to participate in the telephonic meeting from his office.

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

#### Protectina Insurance Consumers

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 10:07 AM

To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>Sofia P@oic.wa.gov</u>>

**Cc:** Levin, Alan <<u>Alan.Levin@lockelord.com</u>>; McKenna, Rob <<u>rmckenna@orrick.com</u>>

Subject: RE: Meeting Dates

Daniel.

Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>
Sent: Friday, October 11, 2019 11:00 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Tim:

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST.

Toll Free +1-855-929-3239 Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 8:36 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Great, thanks.

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim

That sounds great. I will have someone in our office arrange for a conference call number for you to call into on Wednesday.

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Daniel,

 $Thanks\ again\ for\ the\ email.\ The\ Wednesday\ time\ works.\ How\ about\ 8:30\ am\ PST\ on\ Wednesday?\ Thanks.$ 

Best Regards,

Tim

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim <TFarber@lockelord.com>; Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>.

Please let us know if any of these times work for you,

#### Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, October 10, 2019 7:19 AM
To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Sofia,

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks. HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct

tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 9, 2019 10:47 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Tim

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.

Sincerely,

## Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov



From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Tuesday, October 8, 2019 10:57 AM
To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

Sofia,

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

-Tim Farber (Locke Lord LLP)

-Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)

-Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting . Please feel free to let me know if you have any questions. Thanks.

Best, Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Friday, October 4, 2019 5:47 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: Meeting Dates

Tim

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting. Please feel free to email me if you have any questions.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 589 of 761 PageID 991

 From:
 Jacobs, Daniel (OIC)

 To:
 Farber, Tim; Pasarow, Sofia (OIC)

 Cc:
 Levin, Alan; McKenna, Rob

 Subject:
 RE: Meeting Dates

 Date:
 Monday, October 14, 2019 11:08:00 AM

Attachments: image001.png image002.png

Tim:

At this time, OIC is prepared to proceed with a telephone conference as currently scheduled. Mr. McKenna's in-person attendance will not be necessary at this time.

As per Ms. Pasarow's October 4 email, we await the track changes edits to the consent order prior to our scheduled meeting.

Sincerely,



Daniel Jacobs

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Monday, October 14, 2019 10:07 AM
To: Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

**Cc:** Levin, Alan ; McKenna, Rob **Subject:** RE: Meeting Dates

Daniel,

Thanks again for setting up the meeting on Wednesday morning. My partner at Locke Lord Alan Levin would like to participate as well as Rob McKenna, HII's counsel from Orrick, Herrington & Sutcliffe LLP who was mentioned on an earlier email. Given Rob works in Seattle he would like to attend in person, if that is O.K. with you and Sofia. Thanks.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Friday, October 11, 2019 11:00 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST.

**Toll Free** 

+1-855-929-3239

Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,



**Daniel Jacobs** 

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 8:36 AM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Great, thanks.

Tim

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Friday, October 11, 2019 10:34 AM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < <u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Tim

That sounds great. I will have someone in our office arrange for a conference call number for you to call into on Wednesday. Sincerely,

#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division



Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Daniel,

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards,

Tim

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

Tim

From: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>>
Sent: Thursday. October 10. 2019 1:44 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>.

Please let us know if any of these times work for you,

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
Sent: Thursday, October 10, 2019 7:19 AM
To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >; Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Sofia,

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks. HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim

Tim Farber Locke Lord LLP

111 South Wacker Drive

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 591 of 761 PageID 993

Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, October 9, 2019 10:47 AM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Subject: RE: Meeting Dates

Tim,

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 8, 2019 10:57 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates

Sofia,

Thanks again for coordinating a meeting with HII and the OIC. HII would be able to participate in a meeting next week or anytime thereafter. Current proposed attendees are as follows:

-Tim Farber (Locke Lord LLP)

-Either Nick Marley (Chief Risk Officer) or Dan Garavuso (VP: Compliance)

-Rob McKenna (Orrick, Herrington & Sutcliffe LLP)

We will have written comments to you regarding the consent order prior to the meeting . Please feel free to let me know if you have any questions. Thanks.

Best, Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Friday, October 4, 2019 5:47 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: Meeting Dates

Tim,

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting.

Please feel free to email me if you have any questions.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

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From: Farber, Tim

To: <u>Jacobs, Daniel (OIC)</u>; <u>Pasarow, Sofia (OIC)</u>

Cc: Levin, Alan
Subject: RE: Meeting

Subject: RE: Meeting Dates

Date: Friday, October 11, 2019 9:03:23 AM

Attachments: image001.png image002.png

Thanks. Look forward speaking next Wednesday.

Tim

From: Jacobs, Daniel (OIC)

**Sent:** Friday, October 11, 2019 11:00 AM **To:** Farber, Tim; Pasarow, Sofia (OIC)

Cc: Levin, Alan

Subject: RE: Meeting Dates

Tim:

Here is the call in information for the conference call on Wednesday, October 16, 2019 at 8:30 AM PST.

**Toll Free** 

+1-855-929-3239

Access Code: 800 323 796

We look forward to speaking further then,

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

#### **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Friday, October 11, 2019 8:36 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Great, thanks.

Tim

From: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>

Sent: Friday, October 11, 2019 10:34 AM

**To:** Farber, Tim < <a href="mailto:TFarber@lockelord.com">TFarber@lockelord.com</a>>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Tim:

 $That sounds \ great. \ I \ will \ have \ someone \ in \ our \ office \ arrange \ for \ a \ conference \ call \ number \ for \ you \ to \ call \ into \ on \ Wednesday.$ 

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, October 11, 2019 3:14 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Levin, Alan < Alan.Levin@lockelord.com >

Subject: RE: Meeting Dates

Daniel

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards,

Tim

From: Farber, Tim

Sent: Thursday, October 10, 2019 2:39 PM

To: 'Jacobs, Daniel (OIC)' < Daniel (OIC)' < Daniel (OIC)' < Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov >

Cc: Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Thanks for the email Daniel. I will confirm with you soon.

īm

From: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>> Sent: Thursday, October 10, 2019 1:44 PM

To: Farber, Tim < TFarber@lockelord.com >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Levin, Alan <<u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

Tim:

Thank you for your letter. Upon review, it looks like most of the discussion is focused on legal argument as opposed to empirical disagreement about the facts in the order (with the exception of the premium discrepancy, which we have previously discussed). Because of this, Sofia and I are proposing a conference call to discuss this matter next week in lieu of an in-person meeting, and to allow us to speak about this sooner than an in-person meeting might allow.

Both Sofia and I are available 8:30 AM to 11:30 AM PST on Wednesday, October 16<sup>th</sup> and Friday, October 18<sup>th</sup> for an hour long phone call. We are also available at 1 PM on Thursday, October 17<sup>th</sup>.

Please let us know if any of these times work for you,

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Farber, Tim [mailto:TFarber@lockelord.com]
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To: Pasarow, Sofia (OIC) <SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>; Levin, Alan < Alan.Levin@lockelord.com>

Subject: RE: Meeting Dates

Sofia,

Please see the attached comments regarding the proposed consent order and below paragraph regarding the meeting. Please do not hesitate to let us know if you have any questions or need anything further at this time. Thanks. HII appreciates the time and work the OIC has undertaken to produce proposed consent order No. 19-0477 regarding Health Plan Intermediaries Holdings, LLC ("Proposed Order"). HII appreciates the opportunity to discuss the Proposed Order with OIC. The primary items HII would like to discuss with OIC are noted and outlined in the attached letter which reference the applicable paragraphs of the Proposed Order. HII would appreciate the opportunity to clarify and discuss the facts in the Proposed Order, its conduct in the State of Washington and the underlying findings in the Proposed Order as soon as convenient with the OIC. Thanks again for your time and consideration.

Best Regards,

Tim

Tim Farber Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

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To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

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Sincerely,

# OFFICE of the INSURANCE COMMISSIONER

#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, October 8, 2019 10:57 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>
Cc: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

**Subject:** RE: Meeting Dates

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We will have written comments to you regarding the consent order prior to the meeting. Please feel free to let me know if you have any questions. Thanks.

Best, Tim

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To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>Daniell@oic.wa.gov</u>>

Subject: Meeting Dates

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In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting.

Please feel free to email me if you have any questions.

Sincerely,



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SofiaP@oic.wa.goy

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 From:
 Bowen, Barb (OIC)

 To:
 Jacobs, Daniel (OIC)

Subject: RE: Meeting Dates - set up conference call Date: Friday, October 11, 2019 8:42:29 AM

Attachments: image002.png image004.png

The WebEx meeting is as follows:

Toll Free

+1-855-929-3239

Access Code: 800 323 796 Have a great morning!



#### **Barb Bowen**

Administrative Assistant to Toni Hood Legal Affairs Division Washington State Office of the Insurance Commissioner 360.725.7130 BarbB@oic.wa.gov

#### **Protecting Insurance Consumers**

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Jacobs, Daniel (OIC)

Sent: Friday, October 11, 2019 8:38 AM

To: Bowen, Barb (OIC)

Subject: RE: Meeting Dates - set up conference call

Yes it is, 10/16/19 at 8:30.

Thanks!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Bowen, Barb (OIC)

Sent: Friday, October 11, 2019 8:38 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: Meeting Dates - set up conference call

You bet! Is it this Wednesday at 8:30 am?

From: Jacobs, Daniel (OIC)

Sent: Friday, October 11, 2019 8:35 AM

To: Bowen, Barb (OIC) < <a href="mailto:BarbB@oic.wa.gov">BarbB@oic.wa.gov</a>

Subject: FW: Meeting Dates - set up conference call

Barb

Would you be able to reserve a room for Sofia to do a conference call with Mr. Farber, and set up a conference call number that he and his associates can call into?

Thanks!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

#### **Protecting Insurance Consumers**

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To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>>

**Cc:** Levin, Alan < <u>Alan.Levin@lockelord.com</u>>

Subject: RE: Meeting Dates

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 597 of 761 PageID 999

Daniel

Thanks again for the email. The Wednesday time works. How about 8:30 am PST on Wednesday? Thanks.

Best Regards,

Tim

From: Farber, Tim

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Cc: Levin, Alan < Alan.Levin@lockelord.com >

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Tim

Tim Farber

111 South Wacker Drive

Chicago, IL 60606

(312) 443-0532 Direct

tfarber@lockelord.com

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Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>

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Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

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To: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Meeting Dates

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Best, Tim

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To: Farber, Tim < TFarber@lockelord.com>
Cc: Jacobs, Daniel (OIC) < Daniel @oic.wa.gov>

**Subject:** Meeting Dates

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Please feel free to email me if you have any questions.

Sincerely,



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 From:
 Farber, Tim

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 RE: Meeting Dates

Date: Wednesday, October 9, 2019 11:07:58 AM

Attachments: image001.png

Thanks Sofia. We will get the written comments and paragraph to you this week.

Tim

From: Pasarow, Sofia (OIC)

Sent: Wednesday, October 9, 2019 10:47 AM

To: Farber, Tim

**Cc:** Jacobs, Daniel (OIC) **Subject:** RE: Meeting Dates

Tim,

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. After I receive this information, I will check in with my office and send proposed dates.

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Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

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Sent: Tuesday, October 8, 2019 10:57 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov > Cc: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

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Best,

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**Sent:** Friday, October 4, 2019 5:47 PM **To:** Farber, Tim < TFarber@lockelord.com > **Cc:** Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >

**Subject:** Meeting Dates

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Please feel free to email me if you have any questions.

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Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov



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 From:
 Pasarow, Sofia (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 FW: Meeting Dates

**Date:** Wednesday, October 9, 2019 8:31:47 AM

Attachments: image001.png

#### Daniel,

Are you okay with the following response? Feel free to make changes.

Tim.

Thank you for the update. Please email a short paragraph describing the purposes for the meeting. I will check in with my office and send proposed dates after I receive this information.

We would also like to receive your written comments regarding the consent order one week prior to the meeting. This will allow time for us to review the comments and help ensure our meeting is productive.

Sincerely,

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Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

 From:
 Farber, Tim

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 RE: Meeting Dates

**Date:** Friday, October 4, 2019 4:10:07 PM

Attachments: image001.png

Thanks Sofia. Sounds good. I will get back to you with proposed dates/times as well as a list of HII attendees.

Tim

From: Pasarow, Sofia (OIC)

Sent: Friday, October 4, 2019 5:47 PM

To: Farber, Tim

**Cc:** Jacobs, Daniel (OIC) **Subject:** Meeting Dates

Tim,

I wanted to check in with you about your request to set up an in person meeting at the OIC. I think it will be easier for us to set a meeting if you proposes dates/times that work for your client and provide a list of HII attendees. Daniel and I will then pick a time that works with our calendars.

In addition, as discussed, HII should submit proposed changes to consent order prior to our meeting. Please feel free to email me if you have any questions.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov



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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 603 of 761 PageID 1005

 From:
 Lee, Brandon (OIC)

 To:
 Robbins, Tyler (OIC)

 Subject:
 RE: HII and Agentra Cases

 Date:
 Thursday, October 3, 2019 7:37:38 AM

Attachments: image001.png image002.png

According to Harv, all of these entities he listed would involve additional investigations.

At minimum to send notification of allegations and an opportunity for the entities to provide was their written response to the allegation.

Need to identify the relationship of these entities to HII.



Very Respectfully, **Brandon M. Lee, CFE** 

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)

BrandonL@oic.wa.gov

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From: Robbins, Tyler (OIC)

Sent: Tuesday, October 1, 2019 3:48 PM

To: Lee, Brandon (OIC)

Subject: RE: HII and Agentra Cases

Can you have them break them down as far as "what do we need to do?" Options would be:

- Investigate more
- We can do enforcement with what we have
- Refer to Market Conduct or other (specify)



## **Tyler Robbins**

Investigations Manager

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office)

tylerr@oic.wa.gov

From: Lee, Brandon (OIC)

**Sent:** Tuesday, October 1, 2019 3:45 PM **To:** Robbins, Tyler (OIC) < TylerR@oic.wa.gov>

Subject: FW: HII and Agentra Cases

List provided from Jessica, Harv and Daniel are below:

Jessica:

First Continental Life and Accident Ins Co Allegation: Unauthorized insurer, previously authorized but was revoked.

National Association of Preferred Partners Allegation: Unauthorized insurer

Hawaii – Mainland Administrators Allegation: Unauthorized insurer WellDyne RX Allegation: Unauthorized discount medical provider My HealthPass Allegation: Unauthorized discount medical provider PHCS PPO Network Allegation: Unauthorized Discount medical provider

Providence Insurance Partners Allegation, unauthorized insurer

Agentra Allegation: Unauthorized insurer

Association Health Care Management Allegation: Unauthorized discount medical provider

There are 10 producer agencies that are not licensed in WA

Harv:

Magna Munroe Allegation: Unauthorized insurer

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 604 of 761 PageID 1006

ScripPal MSCC Allegation: Unauthorized discount medical provider National Congress of Employees Allegation: Unauthorized insurer

Ally RX Allegation: Unauthorized insurer

Med sense Guaranteed Association Allegation: Unauthorized discount medical provider CIGNA Dental Network Access Allegation: Unauthorized discount medical provider

GapAfford Plus Allegation: Unauthorized discount medical provider

#### Daniel:

PRAM, ACUSA and Gerber



COMMISSIONER

# Very Respectfully, **Brandon M. Lee, CFE**

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)

BrandonL@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Churchill, Harvey (OIC)

**Sent:** Tuesday, October 1, 2019 3:33 PM **To:** Lee, Brandon (OIC) < <u>BrandonL@oic.wa.gov</u>>

**Subject:** FW: HII and Agentra Cases Daniel had some additional thoughts.



#### Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic,wa.gov

#### **Protecting Insurance Consumers**

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From: Jacobs, Daniel (OIC)

Sent: Tuesday, October 1, 2019 3:30 PM

**To:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>> **Cc:** Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Subject: RE: HII and Agentra Cases

The only ones from the memo that I don't see on here are PRAM, ACUSA and Gerber, otherwise they look good to me,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Churchill, Harvey (OIC)

Sent: Tuesday, October 1, 2019 3:25 PM
To: Lee, Brandon (OIC) < BrandonL@oic.wa.gov>

**Cc:** Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>; Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: RE: HII and Agentra Cases

Brandon,

Re: HII (Sophia, Daniel) you may have other thoughts?

Magna Munroe Allegation: Unauthorized insurer

ScripPal MSCC Allegation: Unauthorized discount medical provider National Congress of Employees Allegation: Unauthorized insurer

Ally RX Allegation: Unauthorized insurer

Med sense Guaranteed Association Allegation: Unauthorized discount medical provider CIGNA Dental Network Access Allegation: Unauthorized discount medical provider

GapAfford Plus Allegation: Unauthorized discount medical provider

Re: AWIS

First Continental Life and Accident Ins Co Allegation: Unauthorized insurer, previously authorized but was revoked.

National Association of Preferred Partners Allegation: Unauthorized insurer

Hawaii – Mainland Administrators Allegation: Unauthorized insurer WellDyne RX Allegation: Unauthorized discount medical provider My HealthPass Allegation: Unauthorized discount medical provider PHCS PPO Network Allegation: Unauthorized Discount medical provider

Providence Insurance Partners Allegation, unauthorized insurer

Agentra Allegation: Unauthorized insurer

Association Health Care Management Allegation: Unauthorized discount medical provider

There are 10 producer agencies that are not licensed in WA



## Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Lee, Brandon (OIC)

Sent: Tuesday, October 1, 2019 2:48 PM

To: Churchill, Harvey (OIC) < <a href="mailto:HarveyC@oic.wa.gov">HarveyC@oic.wa.gov</a> Cc: Bullington, Jessica (OIC) < <a href="mailto:JessicaB@oic.wa.gov">JessicaB@oic.wa.gov</a>

Very Respectfully,

Subject: FW: HII and Agentra Cases

Harv, when you get a chance, please provide a list of entities identified from HII and Agentra cases that still requires actions (either individual investigation or referral to Market Conduct), thank you.



## Brandon M. Lee, CFE

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)
BrandonL@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Bullington, Jessica (OIC)

Sent: Monday, September 16, 2019 1:29 PM
To: Lee, Brandon (OIC) < BrandonL@oic.wa.gov>

**Subject:** RE: HII and Agentra Cases **Entities from Agentra case**:

Alliance for Consumers USA ("ACUSA") Allegation: Unauthorized insurer

First Continental Life and Accident Ins Co Allegation: Unauthorized insurer, previously authorized but was revoked.

Rx Valet Allegation: Unauthorized insurer, product is a discount plan but entity not registered as a healthcare discount plan organization.

Midlands Allegation: Failure to comply with RCW 48.15, specifically diligent effort search.

American Healthcare Benefits Cooperative Allegation: Unauthorized MEWA

Data Partnership Group, LP Allegation: Unauthorized MEWA

Colonial Life & Accident Ins Co Allegation: Failure to file association products (Could be referred to

Market Conduct)

Boston Mutual Life Ins Co Investigation complete Transamerica Life Ins Co Investigation complete



## Jessica Bullington, MCM

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782

JessicaB@oic.wa.gov

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

From: Lee, Brandon (OIC)

Sent: Monday, September 16, 2019 11:55 AM

To: Bullington, Jessica (OIC) < Jessica B@oic.wa.gov >

Subject: RE: HII and Agentra Cases

Thank you!



Very Respectfully,

#### Brandon M. Lee, CFE

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office)

(360) 664-2782 (fax) BrandonL@oic.wa.gov

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From: Bullington, Jessica (OIC)

Sent: Monday, September 16, 2019 11:49 AM
To: Lee, Brandon (OIC) < BrandonL@oic.wa.gov>

Subject: RE: HII and Agentra Cases

All cases are closed: 1567074 Ian McAuslin 1591537 Agentra, LLC

1591538 Boston Mutual Life Ins Co 1591539 Transamerica Life Ins Co

1593742 Health Plan Intermediaries Holdings, LLC



#### Jessica Bullington, MCM

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259

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#### Protecting insurance consumers

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From: Lee, Brandon (OIC)

Sent: Monday, September 16, 2019 11:45 AM

**To:** Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>; Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>; Bariekman, Jamie (OIC) < <u>JamieB@oic.wa.gov</u>>

**Subject:** HII and Agentra Cases

Good morning,

When you get a chance, please send me a list of both "HII and Agentra" related cases you have closed in the past, and currently working on.

Thank you.



Very Respectfully,

## Brandon M. Lee, CFE

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax) BrandonL@oic,wa.gov

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 From:
 Farber, Tim

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

Subject: RE: Word Document of Proposed Consent Order Date: Thursday, September 26, 2019 2:40:11 PM

Attachments: <u>image001.png</u>

Thank you very much Sofia.

Best Regards,

Tim

From: Pasarow, Sofia (OIC)

Sent: Thursday, September 26, 2019 4:34 PM

To: Farber, Tim

Cc: Jacobs, Daniel (OIC)

Subject: RE: Word Document of Proposed Consent Order

Tim,

We have received your letter. If there is a public records request regarding the proposed consent order, the OIC will provide you with notice.

Please let me know if you have any further questions.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, September 26, 2019 7:47 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Subject: RE: Word Document of Proposed Consent Order

Sofia,

Thank you again for speaking with me yesterday. Health Plan Intermediaries Holdings, LLC would like to respectfully request confidentiality of the proposed consent order and to be notified of requests to provide to outside parties and we have attached a letter respectfully making the request.

Thank you again for your consideration in this matter. Please do not hesitate to contact me with any questions. Best Regards,

Tim

From: Farber, Tim

**Sent:** Wednesday, September 25, 2019 5:36 PM **To:** 'Pasarow, Sofia (OIC)' <<u>SofiaP@oic.wa.gov</u>> **Cc:** Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Word Document of Proposed Consent Order

Thanks very much Sofia.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, September 25, 2019 5:23 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Subject: Word Document of Proposed Consent Order

Mr. Farber,

Per your request, I have attached a word document version of the proposed consent order. Please let us know if you have any further questions.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

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 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

Subject: RE: Word Document of Proposed Consent Order

Date: Thursday, September 26, 2019 2:19:00 PM

Attachments: image002.png image003.png

#### Thumbs up.



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Pasarow, Sofia (OIC)

Sent: Thursday, September 26, 2019 2:10 PM

To: Jacobs, Daniel (OIC)

Subject: RE: Word Document of Proposed Consent Order

Does this sound okay?

Tim,

We have received your request. If there is a public records request regarding the proposed consent order, the OIC will provide you with notice.

In regards to your voicemail, please specify in writing via email what documents you are requesting.

Sincerely,

From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Thursday, September 26, 2019 7:47 AM

To: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov>

Cc: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>

Subject: RE: Word Document of Proposed Consent Order

Sofia,

Thank you again for speaking with me yesterday. Health Plan Intermediaries Holdings, LLC would like to respectfully request confidentiality of the proposed consent order and to be notified of requests to provide to outside parties and we have attached a letter respectfully making the request.

Thank you again for your consideration in this matter. Please do not hesitate to contact me with any questions. Best Regards,

Tim

From: Farber, Tim

**Sent:** Wednesday, September 25, 2019 5:36 PM **To:** 'Pasarow, Sofia (OIC)' <<u>SofiaP@oic.wa.gov</u>> **Cc:** Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>

Subject: RE: Word Document of Proposed Consent Order

Thanks very much Sofia.

Best Regards,

Tim

From: Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>
Sent: Wednesday, September 25, 2019 5:23 PM
To: Farber, Tim <<u>TFarber@lockelord.com</u>>
Cc: Jacobs, Daniel (OIC) <<u>DanielJ@oic.wa.gov</u>>
Subject: Word Document of Proposed Consent Order

Mr. Farber,

Per your request, I have attached a word document version of the proposed consent order.

Please let us know if you have any further questions.

Sincerely,

Sofia Pasarow



Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office) SofiaP@oic.wa.gov



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From: Farber, Tim
To: OIC Legal

Cc: <u>Jacobs, Daniel (OIC)</u>; <u>Pasarow, Sofia (OIC)</u>

Subject: RE: Health Plan Intermediaries Holdings, LLC - Proposed Consent Order No. 19-0477

Date: Wednesday, September 25, 2019 8:30:36 AM

Attachments: image001.png

Mr. Pace,

Thank you for the email.

Best Regards,

Tim

From: Pace, Josh (OIC) On Behalf Of OIC Legal Sent: Wednesday, September 25, 2019 10:26 AM

To: Farber, Tim

Cc: Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Subject: Health Plan Intermediaries Holdings, LLC - Proposed Consent Order No. 19-0477

Dear Mr. Farber,

Attached is a copy of the OIC's proposed Consent Order Levying a Fine No. 19-0477, along with a cover letter, regarding Health Plan Intermediaries Holdings, LLC. Hard copies of these have been mailed to you as well.

If you have any questions, you may contact Insurance Enforcement Specialist Daniel Jacobs at (360) 725-7264 or by email at <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>, or Insurance Enforcement Specialist Sofia Pasarow at (360) 725-7181 or <a href="mailto:SofiaPasarow">SofiaPasarow</a>.

Truly,



#### **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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 From:
 Farber, Tim

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Pasarow, Sofia (OIC)

**Subject:** RE: Health Plan Intermediaries Holdings, LLC - follow up to voicemail

**Date:** Tuesday, September 24, 2019 6:06:20 PM

Attachments: <u>image001.png</u>

Thanks very much Daniel.

Best Regards,

Tim

From: Jacobs, Daniel (OIC)

Sent: Tuesday, September 24, 2019 4:44 PM

To: Farber, Tim

Cc: Pasarow, Sofia (OIC)

Subject: Re: Health Plan Intermediaries Holdings, LLC - follow up to voicemail

Tim:

I am following up on your voicemail from yesterday. The Proposed Consent Order is going out either tomorrow or Thursday, and will be emailed directly to you, as well as mailed.

Ms. Pasarow and I are more than happy to set up a time to speak with you and your client after you have had the opportunity to review the Proposed Consent Order, and identify areas of clarification or concern.

## Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

## **Protecting Insurance Consumers**

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 From:
 Pasarow, Sofia (OIC)

 To:
 Pace, Josh (OIC)

 Cc:
 Jacobs, Daniel (OIC); Krech, Dawn (OIC)

 Subject:
 HII Proposed Consent Order

**Date:** Tuesday, September 24, 2019 4:30:39 PM

Attachments: image001.png

Josh,

The proposed consent order below is due for mailing tomorrow. Please draft the letter that accompanies the order and email and mail the order to the following contact:

Tim, Farber (tfarber@lockelord.com)

Locke Lord LLP

111 South Wacker Drive

Chicago, IL 60606

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\DRAFT Consent Order Levying a Fine HII).docx

If you have any questions, please feel free to let us know. Thank you for the assistance. Sincerely,



## **Sofia Pasarow**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

SofiaP@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 615 of 761 PageID 1017

 From:
 Jacobs, Daniel (OIC)

 To:
 Farber, Tim

 Cc:
 Pasarow, Sofia (OIC)

Subject: Re: Health Plan Intermediaries Holdings, LLC - follow up to voicemail

**Date:** Tuesday, September 24, 2019 2:44:00 PM

Attachments: <u>image001.png</u>

#### Tim:

I am following up on your voicemail from yesterday. The Proposed Consent Order is going out either tomorrow or Thursday, and will be emailed directly to you, as well as mailed. Ms. Pasarow and I are more than happy to set up a time to speak with you and your client after you have had the opportunity to review the Proposed Consent Order, and identify areas of clarification or concern.

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

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 From:
 Krech, Dawn (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 RE: HII Consent Order

**Date:** Monday, September 23, 2019 1:15:02 PM

Attachments: image002.png image005.png image006.pnq

Many thanks! I knew I needed second eyes on this! Will fix.



#### Dawn Krech

Paralegal, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7047 DawnK@oic.wa.gov

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From: Jacobs, Daniel (OIC)

Sent: Monday, September 23, 2019 1:10 PM

To: Krech, Dawn (OIC)
Cc: Pasarow, Sofia (OIC)
Subject: RE: HII Consent Order

Dawn:

The summary looks good, the only thing I noticed is that RCW 48.17.067 looks like it's listed twice, I highlighted it in the email below. The description and violation looks good as well,

Thanks!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Krech, Dawn (OIC)

Sent: Monday, September 23, 2019 1:00 PM
To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Cc: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Subject: RE: HII Consent Order

Hi guys^

I re-reviewed this consent order, and found a numbering snafu where after para. #57, our numbers started numbers at 23 and so on (not good!) Fixed it without track changing it, etc.

I also assigned this an order number (19-0477), and put the due date for payment/signed order as 10/25/19, based on it being mailed out on Weds., 9/25.

Here is the order summary in SIMBA: "\$2,000,000 fine levied for selling unauthorized discount medical plans to Washington consumers, for selling an unauthorized insurance product to Washington consumers, for selling insurance products on behalf of insurance carriers without being appointed, for selling insurance to thousands of Washington consumers through insurance producers not affiliated with the Licensee, for collecting premiums in excess of the amount remitted to carriers, for failing to properly disclose fees and commissions earned by insurance producers, and failing to retain documents of any such disclosure, and for failing to register a name under which is does business (DBA). RCW 48.155.020(1); RCW 48.17.067; RCW 48.15.020(2)(a); RCW 48.17.530(1)(h); RCW 48.15.130(1)(b); RCW 48.15.020(2)(a); RCW 48.17.160(1); WAC 284-17-473; RCW 48.30.190(2), RCW 48.17.530(1)(g); RCW 48.17.270(3); RCW 48.17.270(4); RCW 48.17.270(5); WAC 284-17-625; RCW 48.17.180."

Violation Type: Unauthorized/Unlicensed Activity – I chose this because of the unauthorized aspect. If you want some other vio

type in SIMBA, please just let me know.

Good job, y'all! I can see all the effort that was put in!



#### Dawn Krech

Paralegal, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7047 DawnK@oic.wa.gov

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Please consider the environment before printing this email

From: Jacobs, Daniel (OIC)

**Sent:** Monday, September 23, 2019 10:17 AM **To:** Klotz, Kara (OIC) < <u>KaraK@oic.wa.gov</u>>

Cc: Pace, Josh (OIC) < <u>Joshua P@oic.wa.gov</u>>; Krech, Dawn (OIC) < <u>DawnK@oic.wa.gov</u>>; Colman, Darryl (OIC)

<<u>DarryIC@oic.wa.gov</u>>; Pasarow, Sofia (OIC) <<u>SofiaP@oic.wa.gov</u>>

Subject: FW: HII Consent Order

Kara:

I've attached a draft of the HII consent order we are going to mail out on Wednesday. They will have 30 days to sign the consent order, and 90 days to demand a hearing. I'll need to wait until Josh gets back in the office tomorrow to get what those exact dates are.

Additionally, Sofia and I are available to review any releases or statements,

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Pasarow, Sofia (OIC)

**Sent:** Monday, September 23, 2019 8:28 AM **To:** Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>

Subject: HII Consent Order

Daniel,

I reviewed the order and made one change. Do you mind sending it to Kara and letting her know we will be sending it on Wednesday?

I will be out of the office from 9am-12pm. I will be back in the office during the afternoon.

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\DRAFT Consent Order Levying a Fine HII).docx Sincerely,



## Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 From:
 Krech, Dawn (OIC)

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Pasarow, Sofia (OIC)

Subject: HII order

**Date:** Monday, September 23, 2019 1:04:08 PM

Attachments: image001.png

#### P.S.

Also, make sure you exactly spell out to Josh who the order is to be mailed/emailed to. It looks like Tim Farber at Locke Lord to me, but there are a lot of contacts in the SIMBA record for this case, and we want to get this right. I think it to be a good idea to send the order to the SIMBA mailing address for HII as well.



## Dawn Krech

Paralegal, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7047 DawnK@oic.wa.gov

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Please consider the environment before printing this email

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 RE: HII Consent Order

**Date:** Friday, September 20, 2019 10:33:00 AM

Attachments: image002.png image003.png image005.png

#### Sofia:

I went through and reviewed Dawn's edits already, they were almost entirely typographical, with the exception of two statutes she identified, RCW 48.30.010 and RCW 48.15.023(5)(a) that she wondered if they applied, and I don't think they do, but we can talk more about it.

## Thanks,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Krech, Dawn (OIC)

**Sent:** Friday, September 20, 2019 9:55 AM **To:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Subject: RE: HII Consent Order

Hi guys^

I'm helping out Chris, who has a lot to do before she leaves today at 11:30 on vacation!

I have reviewed the HII order, and made suggested edits/comments via track changes.

This order is wonderful, although I would like to re-review the order summary paragraph one more time before we send it out.

There is a lot there to track.

Thank you,

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\DRAFT Consent Order Levying a Fine HII).docx



## Dawn Krech

Paralegal, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7047 DawnK@oic.wa.gov

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Please consider the environment before printing this email

From: Tribe, Christine (OIC)

**Sent:** Friday, September 20, 2019 7:46 AM **To:** Krech, Dawn (OIC) < <u>DawnK@oic.wa.gov</u>>

Subject: FW: HII Consent Order



## Christine M. Tribe

Paralegal Legal Affairs Division PO Box 40255 Olympia, WA 98504-0255

Washington State Office of the Insurance Commissioner 360.725.7061

ChrisT@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Jacobs, Daniel (OIC)

**Sent:** Thursday, September 19, 2019 1:56 PM **To:** Tribe, Christine (OIC) < <u>ChrisT@OIC.WA.GOV</u>>

Cc: Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >; Churchill, Harvey (OIC) < HarveyC@oic.wa.gov >

Subject: RE: HII Consent Order

Chris:

Here is Sofia's and my draft of the consent order.

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\DRAFT Consent Order Levying a Fine HII).docx



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Pasarow, Sofia (OIC)

**Sent:** Thursday, September 19, 2019 9:26 AM **To:** Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>

Subject: HII Consent Order

Daniel,

I have finished a review of the consent order. I will review one last time once you add any tracked changes. Let me know if you have any questions or would like to meet. I think we can send the order to Chris sometime today to review. Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: <u>Valandra, Steve (OIC)</u>

To: Colman, Darryl (OIC); Mince, Mike (OIC)

Subject: HII noted in this story about lousy health plans

Date: Tuesday, September 17, 2019 10:45:52 AM

Attachments: <u>image001.png</u>

# Health Insurance That Doesn't Cover the Bills Has Flooded the Market Under Trump

Bloomberg (09/17/19) Faux, Zeke; Mosendz, Polly; Tozzi, John

With an exemption for short-term health insurance plans in the Affordable Care Act, more Americans have discovered that their affordable health insurance plans do not cover everything. These plans do not follow the same restrictions of other ACA plans, which are prevented from capping coverage, canceling coverage retroactively, or turning away people with preexisting conditions. Fewer than 100,000 people had such plans at the end of last year, according to state insurance regulators, but by allowing Americans to buy these cheaper plans, the Trump administration expects about 600,000 plans in effect this year. In interviews, lawsuits, and complaints to regulators, dozens of Health Insurance Innovations' customers say they were tricked into buying plans they didn't realize were substandard until they were stuck with surprise bills. The company denies responsibility for any such incidents, saying it's a technology platform that helps people find affordable policies through reputable agents.

## Read Story



# Steve Valandra

Deputy Commissioner for Public Affairs and Tribal Liaison Washington State Office of the Insurance Commissioner 360.725.7052 / 360.789.5127 (cell) steveva@oic.wa.gov

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From: Jacobs, Daniel (OIC)

To: Pasarow, Sofia (OIC)

**Subject:** Re: HII order - done with first round of edits on my end

**Date:** Friday, September 13, 2019 2:06:00 PM

Attachments: <u>image001.png</u>

## Feel free to take a look

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\DRAFT Consent Order Levying a Fine HII).docx



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 623 of 761 PageID 1025

From: Jacobs, Daniel (OIC)
To: Pasarow, Sofia (OIC)

**Subject:** Re: Done reviewing HI consent order for today **Date:** Monday, September 9, 2019 3:02:00 PM

Attachments: <u>image001.png</u>

If you want to take a look at what I did it was mostly at the top. I and to a lot of format fidgeting, I apologize if it looks wonky with the track changes.

S:\Open Cases\Health Plan Intermediaries Holdings LLC 1593742\DRAFT Consent Order Levying a Fine HII).docx



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: <u>Tribe, Christine (OIC)</u>

To: <u>Jacobs, Daniel (OIC)</u>; <u>Pasarow, Sofia (OIC)</u>
Subject: Health Insurance Innovations 1593742

Date: Wednesday, August 28, 2019 3:34:00 PM

Attachments: <u>image001.png</u>

Hi Daniel and Sofia,

Attached is a link to the draft Order for your review and edits. I used track changes to indicate changes made other than what you had in the PEG memo. I did not use track changes where I separated statutes that were combined in the memo.

S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV\DRAFT Consent Order Levying a Fine HII).docx

Let me know when you are ready to finalize and also, please review the order summary section. Thanks,

Chris



# Christine M. Tribe

Paralegal
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255
Washington State Office of the Insurance Commissioner
360.725.7061
ChrisT@oic.wa.gov

# **Protecting Insurance Consumers**

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 From:
 Farber, Tim

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Pasarow, Sofia (OIC)

**Subject:** RE: Health Plan Intermediaries Holdings, LLC Case #1593742

**Date:** Monday, August 26, 2019 3:25:10 PM

Attachments: <u>image001.png</u>

Thank you very much Daniel and Sofia.

Best Regards,

Tim

From: Jacobs, Daniel (OIC)

**Sent:** Monday, August 26, 2019 5:02 PM

To: Farber, Tim

Cc: Pasarow, Sofia (OIC)

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Tim:

I am confirming receipt of your memorandum, and Sofia and I will make sure the company's views are included in the presentation.

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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**From:** Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Monday, August 26, 2019 1:34 PM **To:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> **Cc:** Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Daniel,

Thanks again for speaking with me regarding the above referenced matter. Attached please find a memorandum we would like to be included in the presentation to the Producer Enforcement Group.

Thank you for all your assistance and we look forward to continuing to work with the Insurance Commissioner's office through this process.

Best Regards,

Tim

Tim Farber

Locke Lord LLP 111 South Wacker Drive Chicago, IL 60606 (312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

**Sent:** Tuesday, August 13, 2019 6:19 PM **To:** Farber, Tim < TFarber@lockelord.com > **Cc:** Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Tim,

Thanks so much for reaching out to me earlier today. At this stage, and based on internal timelines, we are going to proceed with presenting this case to the Producer Enforcement Group meeting on Tuesday, August 27, 2019. Please feel free to submit any additional materials via email to myself or Ms. Pasarow by noon, Pacific Standard Time on Tuesday, August 27, 2019, and they will be included in the presentation to the Producer Enforcement Group.

The Insurance Commissioner's office will continue to review any additional materials submitted during settlement negotiations.

Hopefully this is helpful,

Feel free to follow up with any questions,

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

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**From:** Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Tuesday, August 13, 2019 1:36 PM **To:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Subject: Health Plan Intermediaries Holdings, LLC Case #1593742

Daniel,

Thank you for speaking with me regarding the above referenced matter. My contact information is below, and feel free to call or email me at any time. Thanks.

Best Regards,

Tim
Tim Farber
Locke Lord LLP
111 South Wacker Drive
Chicago, IL 60606

(312) 443-0532 Direct tfarber@lockelord.com

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

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From: <u>Jacobs, Daniel (OIC)</u>

To: Tribe, Christine (OIC): Pasarow, Sofia (OIC)

Subject: RE: Response to Form 712 Request

Date: Friday, August 23, 2019 9:18:00 AM

Attachments: image002.png image003.png

I already emailed Toni explaining who Simple Health is. They were a Florida producer that did a lot of HII business, but were never licensed here, and the FTC is investigating them. As far as I can tell, we never investigated them, and it doesn't look like they were ever licensed in Washington.



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Tribe, Christine (OIC)

Sent: Friday, August 23, 2019 9:16 AM

To: Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Subject: FW: Response to Form 712 Request

Checking to see if this you.



#### Christine M. Tribe

Paralegal Legal Affairs Division PO Box 40255 Olympia, WA 98504-0255 Washington State Office of the Insurance Commissioner 360.725.7061

#### **Protecting Insurance Consumers**

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From: Hood, Toni (OIC)

Sent: Wednesday, August 21, 2019 3:30 PM

ChrisT@oic.wa.gov

To: Krech, Dawn (OIC) < DawnK@oic.wa.gov >; Tribe, Christine (OIC) < ChrisT@OIC.WA.GOV >

Subject: FW: Response to Form 712 Request

I am not sure who this belongs too. The name in the letter is not familiar to me.



#### Toni Hood

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 360.725.7050 (office) tonih@oic.wa.gov

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From: Ochs, Christine [mailto:cochs@ftc.gov]
Sent: Tuesday, August 20, 2019 7:50 AM
To: Hood, Toni (OIC) <ToniH@oic.wa.gov>
Cc: Davis, James <JDAVIS@ftc.gov>
Subject: Response to Form 712 Request

Dear Ms. Hood,

Attached is our response to your request.

Sincerely, Christy Ochs Honors Paralegal Office of the General Counsel
Federal Trade Commission
(202) 326-2684 | cochs@ftc.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 630 of 761 PageID 1032

 From:
 Hood, Toni (OIC)

 To:
 "Jacobs, Daniel (OIC)"

Subject: RE: Response to Form 712 Request (FTC - Simple Health LLC)

Date: Thursday, August 22, 2019 12:29:00 PM
Attachments: image001.png

image001.png image004.png image005.png

Thank you Daniel for the explanation. I have passed this on to Tyler just in case this name comes up in his investigations.



#### Toni Hood

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255
360.725.7050 (office) tonih@oic.wa.gov

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From: Jacobs, Daniel (OIC)

Sent: Thursday, August 22, 2019 11:08 AM

To: Hood, Toni (OIC)

Subject: FW: Response to Form 712 Request (FTC - Simple Health LLC)

Toni:

Dawn mentioned this to me yesterday, and I think I can provide some clarification on who Simple Health Plans, LLC is. Simple Health Plans, LLC was a Florida insurance producer that the FTC has taken legal action against, and effectively shut down. The FTC's investigation found that Simple Health Plans, LLC was doing a lot of the kind of deceptive advertising and misrepresentation that we have been concerned about, but on a grander scale. The individual producer was also living a lavish lifestyle, so the court filings made some news in South Florida.

From what I can tell, we never investigated Simple Health Plans, LLC, and I'm not sure they were ever licensed in WA. So while this case is connected to HII from the FTC's perspective, it isn't particularly relevant for our HII inquiry. Hope this helps explain,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Krech, Dawn (OIC)

**Sent:** Thursday, August 22, 2019 10:56 AM **To:** Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>>

Subject: FW: Response to Form 712 Request (FTC - Simple Health LLC)

Thank you, Daniel!



## Dawn Krech

Paralegal, Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360.725.7047
DawnK@oic.wa.gov

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From: Hood, Toni (OIC)

Sent: Wednesday, August 21, 2019 3:30 PM

To: Krech, Dawn (OIC) < <u>DawnK@oic.wa.gov</u>>; Tribe, Christine (OIC) < <u>ChrisT@OIC.WA.GOV</u>>

Subject: FW: Response to Form 712 Request

I am not sure who this belongs too. The name in the letter is not familiar to me.



## **Toni Hood**

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255
360.725.7050 (office) tonih@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Ochs, Christine [mailto:cochs@ftc.gov]
Sent: Tuesday, August 20, 2019 7:50 AM
To: Hood, Toni (OIC) <ToniH@oic.wa.gov>
Cc: Davis, James <JDAVIS@ftc.gov>
Subject: Response to Form 712 Request

Dear Ms. Hood,

Attached is our response to your request.

Sincerely, Christy Ochs Honors Paralegal Office of the General Counsel Federal Trade Commission (202) 326-2684 | cochs@ftc.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 632 of 761 PageID 1034

 From:
 Jacobs, Daniel (OIC)

 To:
 Churchill, Harvey (OIC)

 Subject:
 Re: HII timeline

**Date:** Wednesday, August 21, 2019 9:19:00 AM

Attachments: <u>image001.pnq</u>

# Closest thing I've got

# P:\TRANSFER\Legal Affairs\HII\HII Cases.xlsx



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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 From:
 Churchill, Harvey (OIC)

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 HPIH, Timeline of events

Date: Wednesday, August 21, 2019 7:18:13 AM

Attachments: image001.png

## Good Morning,

I am thinking about having a timeline of events in my back pocket for the upcoming PEG, would you have drafted anything similar during your preparations?

Thanks, in advance,

Harv



# Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic.wa.gov

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 From:
 Pasarow, Sofia (OIC)

 To:
 Bowen, Barb (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 PEG memos for 8/27/19

**Date:** Tuesday, August 20, 2019 4:42:02 PM

Attachments: image001.png

#### Hello Barb,

Attached are two memos to present at the upcoming PEG meeting. The HII memo will be presented by Daniel and I. Please let me know if you have any questions. Thank you for the assistance.

S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV\PEG Memo.docx

S:\Open Cases\Spradley, Quadell & Miller, Stephanie 1597351\PEG Memo (Spradley, Miller) DRAFT 6-6-19.docx Sincerely,



## **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 635 of 761 PageID 1037

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

**Subject:** Re: HII PEG

**Date:** Tuesday, August 20, 2019 9:59:00 AM

Attachments: <u>image001.pnq</u>

S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV\PEG Memo.docx



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

# **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900 www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: <u>Tribe, Christine (OIC)</u>

To: Pasarow, Sofia (OIC); Jacobs, Daniel (OIC)

Subject: RE: HII Peg Memo

**Date:** Monday, August 19, 2019 12:21:00 PM

Attachments: image002.png image003.png

#### Hi Sofia and Daniel,

I've completed y review of your PEG memo and made notes on my hardcopy. Let me know when you are ready to finalize.

# Thanks,

Chris



## Christine M. Tribe

Paralegal Legal Affairs Division PO Box 40255

Olympia, WA 98504-0255

Washington State Office of the Insurance Commissioner

360.725.7061 ChrisT@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Pasarow, Sofia (OIC)

Sent: Friday, August 16, 2019 8:51 AM

To: Tribe, Christine (OIC)
Cc: Jacobs, Daniel (OIC)
Subject: HII Peg Memo

Chris,

Attached is a revised PEG memo for your review. Daniel and I plan to set the case on Tuesday for the upcoming PEG.

Thank you for your assistance. Please let us know if you have any questions.

S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV\PEG

## Memo.docx

Sincerely,



## **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 From:
 Pasarow, Sofia (OIC)

 To:
 Churchill, Harvey (OIC)

 Cc:
 Jacobs, Daniel (OIC)

Subject: PEG Memo

Date: PEG Memo
Friday, August 16, 2019 8:17:13 AM

Attachments: image001.png

Harvey,

Attached is the revised PEG memo for HII. Please let us know if you have any questions.

Thank you for your review.

S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV\PEG Memo.docx

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 From:
 Farber, Tim

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Pasarow, Sofia (OIC)

**Subject:** RE: Health Plan Intermediaries Holdings, LLC Case #1593742

**Date:** Thursday, August 15, 2019 2:19:12 PM

Attachments: <u>image001.png</u>

#### Daniel and Sofia.

Thanks again for the below email. When you get a chance if you could please call me we have a couple of guick questions.

#### Thanks.

Best Regards,

Tim

Tim Farber

Locke Lord LLP

111 South Wacker Drive Chicago, IL 60606

(312) 443-0532 Direct tfarber@lockelord.com

From: Jacobs, Daniel (OIC)

**Sent:** Tuesday, August 13, 2019 6:19 PM

To: Farber, Tim

Cc: Pasarow, Sofia (OIC)

**Subject:** RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Tim,

Thanks so much for reaching out to me earlier today. At this stage, and based on internal timelines, we are going to proceed with presenting this case to the Producer Enforcement Group meeting on Tuesday, August 27, 2019. Please feel free to submit any additional materials via email to myself or Ms. Pasarow by noon, Pacific Standard Time on Tuesday, August 27, 2019, and they will be included in the presentation to the Producer Enforcement Group.

The Insurance Commissioner's office will continue to review any additional materials submitted during settlement negotiations.

Hopefully this is helpful,

Feel free to follow up with any questions,

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

## **Protecting Insurance Consumers**

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www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

**From:** Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Tuesday, August 13, 2019 1:36 PM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

**Subject:** Health Plan Intermediaries Holdings, LLC Case #1593742

Daniel,

Thank you for speaking with me regarding the above referenced matter. My contact information is below, and feel free to call or email me at any time. Thanks.

Best Regards,

Tim

Tim Farber
Locke Lord LLP
111 South Wacker Drive
Chicago, IL 60606
(312) 443-0532 Direct
tfarber@lockelord.com

Atlanta | Austin | Boston | Chicago | Cincinnati | Dallas | Hartford | Hong Kong | Houston | London | Los Angeles | Miami | New Orleans | New York | Princeton | Providence | San Francisco | Stamford | Washington DC | West Palm Beach

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 640 of 761 PageID 1042

From: Jacobs, Daniel (OIC)

To: Pasarow, Sofia (OIC)

Subject: Re: HII PEG memo edits

**Date:** Wednesday, August 14, 2019 4:56:00 PM

Attachments: <u>image001.pnq</u>

S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV\PEG Memo.docx



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

# **Protecting Insurance Consumers**

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 From:
 Farber, Tim

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Pasarow, Sofia (OIC)

**Subject:** RE: Health Plan Intermediaries Holdings, LLC Case #1593742

**Date:** Tuesday, August 13, 2019 4:33:45 PM

Attachments: <u>image001.png</u>

#### Jacob.

Thanks very much for the email. We will provide you the information prior to August 27, 2019 so they may be included in the presentation to the Producer Enforcement Group. Thanks.

### Tim

From: Jacobs, Daniel (OIC)

**Sent:** Tuesday, August 13, 2019 6:19 PM

**To:** Farber, Tim

**Cc:** Pasarow, Sofia (OIC)

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Tim,

Thanks so much for reaching out to me earlier today. At this stage, and based on internal timelines, we are going to proceed with presenting this case to the Producer Enforcement Group meeting on Tuesday, August 27, 2019. Please feel free to submit any additional materials via email to myself or Ms. Pasarow by noon, Pacific Standard Time on Tuesday, August 27, 2019, and they will be included in the presentation to the Producer Enforcement Group.

The Insurance Commissioner's office will continue to review any additional materials submitted during settlement negotiations.

Hopefully this is helpful,

Feel free to follow up with any questions,

## Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

## **Protecting Insurance Consumers**

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**From:** Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Tuesday, August 13, 2019 1:36 PM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Subject: Health Plan Intermediaries Holdings, LLC Case #1593742

Daniel,

Thank you for speaking with me regarding the above referenced matter. My contact

information is below, and feel free to call or email me at any time. Thanks.

Best Regards,

Tim

Tim Farber

Locke Lord LLP

111 South Wacker Drive

Chicago, IL 60606

(312) 443-0532 Direct

tfarber@lockelord.com

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From: Robbins, Tyler (OIC)

To: Klotz, Kara (OIC)

Subject: RE: Not a Trupanion Question I promise Date: Tuesday, August 13, 2019 3:48:00 PM

Attachments: image002.png

Producer that's acting as a marketer for a series of bundled products. A restaurant analogy with involving tasty stew might help:

- 1. Picture a stew of various ancillary insurance products cooked together on a stovetop and served to a consumer as an insurance package.
- 2. HII is a producer, but they're really acting as more of a marketer, in that they're gathering the ingredients for the stew, putting it into the pot on the stove, and then hiring producers to go sell it to consumers.
- 3. HII doesn't ever leave the kitchen and speak to consumers in a retail context; they hire wait staff for that. They just create the stew in the kitchen and arrange for it to be sold.
- 4. Some of the ingredients of the stew can't be served, because they or their plans aren't admitted in WA.
- 5. Some of the wait staff can't sell it, because they're unlicensed or unaffiliated.
- 6. Etc., etc.

I've run out of restaurant analogies, and I actually hate stew (thus, I'm not sure why I used the analogy), but you get the idea ...

Thanks,



## **Tyler Robbins**

Investigations Manager

**Regulatory Investigations Unit** 

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office)

tylerr@oic.wa.gov

From: Klotz, Kara (OIC)

Sent: Tuesday, August 13, 2019 3:39 PM

To: Robbins, Tyler (OIC)

Subject: RE: Not a Trupanion Question I promise

Is this a producer or insurer?

**Kara Klotz** 360.725.7053



From: Robbins, Tyler (OIC)

Sent: Tuesday, August 13, 2019 3:22 PM

To: Klotz, Kara (OIC) < <u>KaraK@oic.wa.gov</u>>

Subject: RE: Not a Trupanion Question I promise

The investigation was complete and it's in the queue for enforcement.

Thanks,

# **Tyler Robbins**

Investigations Manager
Regulatory Investigations Unit
Legal Affairs Division



Washington State Office of the Insurance Commissioner 360-725-7044 (office) <a href="mailto:tylerr@oic.wa.gov">tylerr@oic.wa.gov</a>

From: Klotz, Kara (OIC)

**Sent:** Tuesday, August 13, 2019 2:52 PM **To:** Robbins, Tyler (OIC) < <u>TylerR@oic.wa.gov</u>> **Subject:** FW: Not a Trupanion Question I promise

Hi Tyler,

This is the email I referenced. Can you give me a status update on this investigation? Thanks!

## Kara Klotz

360.725.7053



**From:** Vikas Kumar [mailto:vkumar@thecapitolforum.com]

**Sent:** Monday, August 12, 2019 11:05 AM **To:** Klotz, Kara (OIC) < <u>Karak@oic.wa.gov</u>>

**Cc:** Matt Bruenig < <a href="mailto:mbruenig@thecapitolforum.com">mbruenig@thecapitolforum.com</a>>

**Subject:** Not a Trupanion Question I promise

Hey Kara,

I hope you are well.

We recently got a copy of the final investigative report for Health Plan Intermediaries Holdings LLC.

I was wondering if you could tell us what the next steps are or when the WA Office of the Insurance Commissioner will take action against Health Plan Intermediaries Holdings? It's case no. 1593742.

Thanks!

Vikas Kumar

Senior Editor

The Capitol Forum

1233 20<sup>th</sup> Street, NW

Suite 301

Washington, DC 20036

202-601-4195

From: <u>Jacobs, Daniel (OIC)</u>
To: <u>Pasarow, Sofia (OIC)</u>

**Subject:** FW: Health Plan Intermediaries Holdings, LLC Case #1593742

**Date:** Tuesday, August 13, 2019 1:41:00 PM

Attachments: <u>image001.png</u>

**FYI** 



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

# **Protecting Insurance Consumers**

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**From:** Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Tuesday, August 13, 2019 1:36 PM

To: Jacobs, Daniel (OIC)

Subject: Health Plan Intermediaries Holdings, LLC Case #1593742

Daniel,

Thank you for speaking with me regarding the above referenced matter. My contact information is below, and feel free to call or email me at any time. Thanks.

Best Regards,

Tim

Tim Farber
Locke Lord LLP
111 South Wacker Drive
Chicago, IL 60606
(312) 443-0532 Direct
tfarber@lockelord.com

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 From:
 Churchill, Harvey (OIC)

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 RE: HII meeting on Tuesday

 Date:
 Monday, August 12, 2019 10:02:06 AM

 Attachments:
 image001.png

Morning all,

Reviewed, and made notes on some of your questions, hopefully helps somewhat.

I will review off and on here today and, hopefully, be ready for any follow-up! See you tomorrow!

Harv



# Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Pasarow, Sofia (OIC)

Sent: Friday, August 9, 2019 5:05 PM

**To:** Churchill, Harvey (OIC) **Cc:** Jacobs, Daniel (OIC)

Subject: HII meeting on Tuesday

Harvey,

Attached is the HII PEG memo for your review prior to our meeting. Please feel free to add tracked changes. We have included comments with some questions.

Please let us know if you have any questions.

S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV\PEG Memo.docx

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 647 of 761 PageID 1049

 From:
 Farber, Tim

 To:
 Bowen, Barb (OIC)

 Cc:
 Hood, Toni (OIC)

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

**Date:** Friday, August 9, 2019 8:52:03 AM

Attachments: image001.png

Yes, that works well for me. Thanks.

Tim

From: Bowen, Barb (OIC)

Sent: Friday, August 9, 2019 10:51 AM

**To:** Farber, Tim **Cc:** Hood, Toni (OIC)

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Good morning. Toni has availability at 11 am (Pacific) on Monday. Will that work for you?

Thank you,



#### **Barb Bowen**

BarbB@oic.wa.gov

Administrative Assistant to Toni Hood Legal Affairs Division Washington State Office of the Insurance Commissioner 360.725.7130

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From: Farber, Tim [mailto:TFarber@lockelord.com]

Sent: Friday, August 9, 2019 8:48 AM

To: Hood, Toni (OIC) < ToniH@oic.wa.gov >
Cc: Bowen, Barb (OIC) < Barb B@oic.wa.gov >

**Subject:** RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Thanks Toni, and sorry about the delays out New York. Glad you made it back. I appreciate the opportunity to touch base and Monday works well for me. If there is a time that is convenient I can put it on the calendar and call you then. Many Thanks.

Tim

From: Hood, Toni (OIC) < ToniH@oic.wa.gov>
Sent: Friday, August 9, 2019 10:21 AM
To: Farber, Tim < TFarber@lockelord.com>
Cc: Bowen, Barb (OIC) < BarbB@oic.wa.gov>

Subject: RE: Health Plan Intermediaries Holdings, LLC Case #1593742

Good Morning Tim – I got your voice mail. I had some delays getting out of New York because of the weather so I am a little behind but I will make time to talk to you. Would Monday morning work with your schedule? Thank you for reaching out.



## **Toni Hood**

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 360.725.7050 (office) tonih@oic.wa.gov

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**From:** Farber, Tim [mailto:TFarber@lockelord.com]

**Sent:** Friday, August 9, 2019 6:20 AM **To:** Hood, Toni (OIC) < ToniH@oic.wa.gov>

Subject: Health Plan Intermediaries Holdings, LLC Case #1593742

Hi Toni:

We represent Health Plan Intermediaries Holdings, LLC (HII) (Case #1593742). At the recent NAIC meeting, AnnaLisa Gellerman had mentioned to some representatives of HII that it would be best to reach out to you to discuss the investigative report regarding HII as HII has had the chance review the report and wanted to address any unclear or incorrect items. I realize the WA OIC legal has relatively recently received the report but I would appreciate the chance to touch base briefly when you have a few minutes. Thanks.

Best Regards,

Tim
Tim Farber
Locke Lord LLP
111 South Wacker Drive
Chicago, IL 60606
(312) 443-0532 Direct
tfarber@lockelord.com

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 From:
 Churchill, Harvey (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 Re: ScripPal, GapAfford Plus.

 Date:
 Monday, August 5, 2019 11:57:43 AM

Attachments: image001.png

#### Hey Daniel

Forgive my incomplete answer provided by telephone, it is Monday you know.

ScripPal. This is a free product that can be purchased on line. HII was charging a HII membership which included ScripPal. No specific money was sent to MSCD, <a href="https://www.rxsavings.medimpact.com">www.rxsavings.medimpact.com</a> GapAfford Plus.

This was provided through a membership with NCE with insurances sold by UNIFIED. You can find the breakdown <u>here</u> Hope this is of some help.



## Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic.wa.gov

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From: Klotz, Kara (OIC)

To: Jacobs, Daniel (OIC)

Subject: RE: Please review June legal news release Date: Monday, July 22, 2019 9:53:41 AM

Attachments: <u>image002.png</u> <u>image003.png</u>

Hi Daniel.

I see that orders 19-0337 and 19-0338 took effect in July. I don't see order 19-0330 – do you know when that one will be issued?

I will hold the 3 June cases until all of the orders are ready.

Thanks!

## Kara Klotz

360.725.7053



From: Jacobs, Daniel (OIC)

Sent: Wednesday, July 17, 2019 9:03 AM

To: Klotz, Kara (OIC)

**Subject:** RE: Please review June legal news release

Kara:

All done. I made a comment regarding three of my producer cases, because they are the HII producer cases and three of them aren't listed,

Thanks,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Klotz, Kara (OIC)

Sent: Tuesday, July 16, 2019 12:01 PM

**To:** Colman, Darryl (OIC) < <u>DarrylC@oic.wa.gov</u>>; Tocco, Kim (OIC) < <u>KimT@oic.wa.gov</u>>; Range, Ellen (OIC) < <u>EllenR@oic.wa.gov</u>>; Pace, Josh (OIC) < <u>JoshuaP@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>; Valore, Ross (OIC) < <u>RossV@oic.wa.gov</u>>; Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

**Subject:** Please review June legal news release

All,

Please review the <u>June legal news release</u> by **Monday, July 22**. Please make any **edits or comments directly in the document** and let me know when you are done with your review. Thanks much!



## **Kara Klotz**

Social Media Manager, Public Affairs Washington State Office of the Insurance Commissioner 360.725.7053 karak@oic.wa.gov

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From: Pasarow, Sofia (OIC)
To: Tribe, Christine (OIC)

**Subject:** RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

Attachments: image001.png

image002.png image003.png

Exactly, way too many folders for these matters! Sincerely,



Date:

#### **Sofia Pasarow**

Thursday, July 18, 2019 4:36:00 PM

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Tribe, Christine (OIC)

Sent: Thursday, July 18, 2019 4:36 PM

To: Pasarow, Sofia (OIC)

 $\textbf{Subject:} \ \textbf{RE: HII Cases - } 1528309/1536283/1448834/1536150 - \textbf{Case Closure Request} \\ \textbf{No worries. There were just so many of those cases, it would be easy to forget one.} \\$ 

Enjoy your uninterrupted Friday!



### Christine M. Tribe

Paralegal Legal Affairs Division PO Box 40255

Olympia, WA 98504-0255

Washington State Office of the Insurance Commissioner

360.725.7061 ChrisT@oic.wa.gov

### **Protecting Insurance Consumers**

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From: Pasarow, Sofia (OIC)

**Sent:** Thursday, July 18, 2019 4:33 PM

**To:** Tribe, Christine (OIC) < <a href="mailto:ChrisT@OIC.WA.GOV">Cc: Pace, Josh (OIC) < <a href="mailto:JoshuaP@oic.wa.gov">JoshuaP@oic.wa.gov</a>>

**Subject:** RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

Chris,

Thank you for the follow-up. I will be completing this task early next week as my flex day is tomorrow and I have been busy on other assignments. I will let you know when the file may be deleted.

If you have any other questions, please feel free to let me know.

Sincerely,



### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Tribe, Christine (OIC)

**Sent:** Thursday, July 18, 2019 4:13 PM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Cc: Pace, Josh (OIC) < <u>JoshuaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> Subject: RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

Hi Sofia,

Will you be reviewing the Health Innovations, Nat'l Health Hub LLC, Rodriguez, Jose R. et al 1448834 folder on the S:\drive? If so, would you please add anything you want in SIMBA to the Add to SIMBA folder and save any briefs you want to the Brief Bank. Also, you might want to save you PEG memos in "Word" as it's possible to get more of these case.

Just want to make sure you have everything you need before the file is deleted.

Let Josh and I know when you are ready for the file to be deleted.

Thanks, Chris



### Christine M. Tribe

Paralegal Legal Affairs Division PO Box 40255 Olympia, WA 98504-0255 Washington State Office of the Insurance Commissioner 360.725.7061 ChrisT@oic.wa.gov

#### **Protecting Insurance Consumers**

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Pasarow, Sofia (OIC)

**Sent:** Thursday, July 18, 2019 8:54 AM

To: Pace, Josh (OIC) < <u>JoshuaP@oic.wa.gov</u>>; Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Cc: Tribe, Christine (OIC) < <a href="mailto:ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV</a>

Subject: RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

Josh,

Simba No. 1448834 is ready to close. For all the entities, except National Health Hub LLC, you can use the review but no action code.

In addition, please use the following codes:

# UI – Untrustworthy or Incompetent UAA – Unauthorized Activity

I will be working on the folder next week.

Thank you for your assistance,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Pace, Josh (OIC)

Sent: Tuesday, July 16, 2019 9:14 AM

To: Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov >; Pasarow, Sofia (OIC) < SofiaP@oic.wa.gov >

Cc: Tribe, Christine (OIC) < <a href="mailto:ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV</a>

**Subject:** HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

Good morning,

Now that the orders of dismissal have been received in these matters, are these cases ready to be closed? If so, please complete the closing process as outlined below, and let me know when the S:\Drive files are ready for deletion.

- Update SIMBA activity logs (if necessary)
- Review documents in S:\Drive folders, and delete unnecessary documents. Note: I couldn't find a folder

#### in Open Cases for SIMBA No. 1528309

- o S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283
- o S:\Open Cases\Health Innovations, Nat'l Health Hub LLC, Rodriguez, Jose R. et al 1448834
- o S:\Open Cases\Petersen, Christopher J. 1536150
- If applicable, review documents on the P:\Drive, and move those that need saved to S:\Drive folder, or delete
- Identify documents that need to be added to SIMBA and move to the "Add to SIMBA" folder
- Move Briefs that need to be saved to the "Brief" folder (for Hearings cases, if necessary)
- Move documents that should be saved as a template for future use to the "Templates" folder (if necessary)
- · Delete Outlook Tasks and Reminders

Also, please verify that the following reason code is the proper reason code for use in SIMBA:

## **UI – Untrustworthy or Incompetent**

## **UAA - Unauthorized Activity**

LV - Licensing Violation

## FR - Failure to Respond

#### If it is not, please select the correct reason code from the list below:

CH - Claim Handling

CPM - Compliance Plan Monitoring

CR - Criminal Record/History

FCE - Failure to Meet Continuing Education Requirements

FD - Fraudulent or Dishonest Practices

F1 - Financial Irresponsibility

FPO - Failure to Comply with Previous Order

FR - Failure to respond

FM - Financial Misconduct

FMR - Failure to maintain books and records

FPC - Failure to Pay Child Support

FPO - Failure to Comply with Previous Order

FR - Failure to respond

FRA - Failure to Report Other State Action

FRP - Failure to Remit Premiums to Insurer

FTF - Failure to Timely File

11B - Illegal Inducement or Rebating

LAV - License Application Violation

LBV - Life Insurance Replacement Form Violation

LV - Licensing Violation

MCE - Market Conduct Examination

MOP - Misappropriation of Premium

MR - Misrepresentation

OSA - Other State's action

OT - Other

RV - Rate Violation

SNP - Sale of Non Approved Policy

TV - Title Insurance Violation

UA - Unlicensed Activity

UAA - Unauthorized Activity

 $UAF-Use\ of\ Unapproved\ Forms$ 

UI – Untrustworthy or Incompetent



#### Josh Pace

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900



Please consider the environment before printing this email

From: <u>Jacobs, Daniel (OIC)</u>

To: Pace, Josh (OIC); Pasarow, Sofia (OIC)

Cc: Tribe, Christine (OIC)

**Subject:** RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

**Date:** Thursday, July 18, 2019 9:24:00 AM

Attachments: image001.png image002.png

#### Josh:

I have updated the SIMBA logs for all three of these. I've reviewed the documents on my end and moved the emails that should be uploaded etc to the Add to SIMBA folders in the respective folders. Regarding 1536150 and Mr. Petersen, I've put all of those documents in the Add to SIMBA folder in 1536283 as it was the same case.

Lastly, for codes, I am good with UI and UAA on all of them, but the FR is only for Stinson.

Thanks!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

#### **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Pace, Josh (OIC)

**Sent:** Tuesday, July 16, 2019 9:14 AM **To:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Cc: Tribe, Christine (OIC)

Subject: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

Good morning,

Now that the orders of dismissal have been received in these matters, are these cases ready to be closed? If so, please complete the closing process as outlined below, and let me know when the S:\Drive files are ready for deletion

- Update SIMBA activity logs (if necessary)
- Review documents in S:\Drive folders, and delete unnecessary documents. Note: I couldn't find a folder in

Open Cases for SIMBA No. 1528309

- o S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283
- o S:\Open Cases\Health Innovations, Nat'l Health Hub LLC, Rodriguez, Jose R, et al 1448834
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Also, please verify that the following reason code is the proper reason code for use in SIMBA:

## **UI - Untrustworthy or Incompetent**

**UAA – Unauthorized Activity** 

LV - Licensing Violation

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FPO - Failure to Comply with Previous Order

FR - Failure to respond

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SNP - Sale of Non Approved Policy

TV - Title Insurance Violation

UA – Unlicensed Activity

UAA - Unauthorized Activity

UAF – Use of Unapproved Forms

 $UI-Untrust worthy\ or\ Incompetent$ 



#### **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

## Protecting insurance consumers

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Please consider the environment before printing this email

 From:
 Pasarow, Sofia (OIC)

 To:
 Jacobs, Daniel (OIC)

**Subject:** RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

**Date:** Wednesday, July 17, 2019 4:56:00 PM

Attachments: image001.png image002.png

image002.png image003.png

Sounds good. Do you want the Failure to Respond code to be added to the one case?



#### Sofia Pasarow

SofiaP@oic.wa.gov

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7181 (office)

From: Jacobs, Daniel (OIC)

Sent: Wednesday, July 17, 2019 4:55 PM

To: Pasarow, Sofia (OIC)

**Subject:** RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

I think UI and UAA are sufficient, I don't really see a point in adding LV on top of those two because I feel like untrustworthy and unauthorized activity is worse than licensing violation, but I'm not inherently opposed to including it as well



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Pasarow, Sofia (OIC)

**Sent:** Wednesday, July 17, 2019 9:07 AM **To:** Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>

Subject: RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

Daniel

I looked at the cases and I think only one of the cases (Simba No. 1528309) included a failure to respond violation. Do you want to use the three codes below, for all of the cases?

UI – Untrustworthy or Incompetent UAA – Unauthorized Activity LV – Licensing Violation

Sincerely,



### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Pace, Josh (OIC)

Sent: Tuesday, July 16, 2019 9:14 AM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>; Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>>

Cc: Tribe, Christine (OIC) < <a href="mailto:ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV</a>

**Subject:** HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

#### Good morning,

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Also, please verify that the following reason code is the proper reason code for use in SIMBA:

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FR - Failure to respond

FM - Financial Misconduct

FMR - Failure to maintain books and records

FPC - Failure to Pay Child Support

FPO - Failure to Comply with Previous Order

FR - Failure to respond

FRA - Failure to Report Other State Action

FRP - Failure to Remit Premiums to Insurer

FTF - Failure to Timely File

llB - Illegal Inducement or Rebating

LAV - License Application Violation

LBV - Life Insurance Replacement Form Violation

LV - Licensing Violation

MCE - Market Conduct Examination

 $\operatorname{MOP}$  - Misappropriation of Premium

MR - Misrepresentation OSA - Other State's action

OT - Other

RV - Rate Violation

SNP - Sale of Non Approved Policy

TV - Title Insurance Violation

UA – Unlicensed Activity

UAA – Unauthorized Activity

UAF - Use of Unapproved Forms

 $UI-Untrustworthy\ or\ Incompetent$ 



## **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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#### Protecting insurance consumers

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Please consider the environment before printing this email

From: <u>Jacobs, Daniel (OIC)</u>

To: Pace, Josh (OIC); Pasarow, Sofia (OIC)

Cc: <u>Tribe, Christine (OIC)</u>

**Subject:** RE: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

**Date:** Wednesday, July 17, 2019 2:26:00 PM

Attachments: image001.png image002.png

Josh:

Here is the folder for SIMBA 1528309

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Pace, Josh (OIC)

**Sent:** Tuesday, July 16, 2019 9:14 AM **To:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Cc: Tribe, Christine (OIC)

Subject: HII Cases - 1528309/1536283/1448834/1536150 - Case Closure Request

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MCE - Market Conduct Examination

MOP - Misappropriation of Premium

MR - Misrepresentation OSA - Other State's action

OT - Other

RV - Rate Violation

SNP - Sale of Non Approved Policy

 $\ensuremath{\mathsf{TV}}$  - Title Insurance  $\ensuremath{\widetilde{\mathsf{V}}}\xspace$ iolation

UA - Unlicensed Activity

UAA – Unauthorized Activity

UAF – Use of Unapproved Forms UI – Untrustworthy or Incompetent



#### **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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## Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900



Please consider the environment before printing this email

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 RE: HII Memo 1593742

 Date:
 Monday, July 15, 2019 10:19:00 AM

Attachments: image002.png image003.png

I'm also going to go through and see which of the companies we've already fined for their HII related activity, and download those consent orders into a separate folder so we can include them in the past violations, because I think we'll refer the rest to CC with specific statutory violations for the companies, which shouldn't be hard given we have the consent orders on the ones we've already hit, including Ameritas, and Harvey's report, so those should be pretty easy,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Pasarow, Sofia (OIC)

Sent: Monday, July 15, 2019 9:18 AM

**To:** Jacobs, Daniel (OIC) **Subject:** RE: HII Memo 1593742

Okay, thanks. I will add the draft memo to this folder.

#### Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Monday, July 15, 2019 9:16 AM

To: Pasarow, Sofia (OIC) < Sofia P@oic.wa.gov>

Subject: RE: HII Memo 1593742

I think there's already a folder, but yeah if you wanna start creating headings for the categories, go for it, S:\Open Cases\Health Insurance Innovation Cases - 1593742 - DO NOT DELETE - WAITING FOR REFERRAL FROM INV



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Pasarow, Sofia (OIC)

Sent: Monday, July 15, 2019 9:13 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov >

Subject: HII Memo 1593742

Daniel,

If you have not already, I can draft a quick memo today for this case and put headers for the main topics. Should we create a new folder?

Sincerely,

Sofia Pasarow



Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 From:
 Pace, Josh (OIC)

 To:
 Jacobs, Daniel (OIC)

Subject: RE: Posting HII Orders - Just Checking for Update

**Date:** Friday, July 12, 2019 8:17:57 AM

image001.png image003.png image004.png

Perfect. I will set my reminder to wait until those dismissals arrive. That makes sense. Thanks for the update.



Attachments:

#### **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900



Please consider the environment before printing this email

From: Jacobs, Daniel (OIC)
Sent: Friday, July 12, 2019 8:17 AM

To: Pace, Josh (OIC)

Subject: RE: Posting HII Orders - Just Checking for Update

Hi Josh:

Thanks for following up. I want to wait until we receive the dismissals from OAH before posting. Today is the deadline that we had to have them all submitted to OAH by, which we did, but that's why you have a tickler on your calendar for today.

Thanks again!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Pace, Josh (OIC)

Sent: Friday, July 12, 2019 7:33 AM

To: Jacobs, Daniel (OIC) < <u>Daniell@oic.wa.gov</u>> **Subject:** Posting HII Orders - Just Checking for Update

Hi, Daniel

I just had a reminder pop up to check in with you to see if you're ready to post the HII orders for those licensees surrendering their licenses. Please let me know if they're ready, and if not, I'll push my reminder to check in with you again out another week. Thanks.



#### **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

## Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900



Please consider the environment before printing this email

 From:
 Hood, Toni (OIC)

 To:
 Mince, Mike (OIC)

 Subject:
 Re: HII and 98.6 update

**Date:** Wednesday, July 10, 2019 5:10:16 PM

Attachments: <u>image001.png</u>

Ok. Thanks

Sent from my iPhone

On Jul 10, 2019, at 4:52 PM, Mince, Mike (OIC) < Mike M@oic.wa.gov > wrote:

Toni,

HII has been assigned to Sofia and Daniel.

According to Stephanie in PA, the Commissioner will meet with Gene Leonard from 98.6 on Monday to discuss posting the order.

See you tomorrow!

v/r,

#### Mike Mince

Operations Manager, Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255
360.725.7179 (office)
mikem@oic.wa.gov

From: Robbins, Tyler (OIC) To:

OIC Investigation Request
Churchill, Harvey (OIC); Lee, Brandon (OIC) Cc:

Subject: 1593742

Date: Monday, July 8, 2019 2:19:00 PM

Attachments: image001.png

Please close and refer 1593742 as substantiated.



## **Tyler Robbins**

Investigations Manager

## **Regulatory Investigations Unit**

Legal Affairs Division

Washington State Office of the Insurance Commissioner 360-725-7044 (office)

tylerr@oic.wa.gov

 From:
 Robbins, Tyler (OIC)

 To:
 Churchill, Harvey (OIC)

 Cc:
 Lee, Brandon (OIC)

 Subject:
 RE: HPIH 1593742

**Date:** Monday, July 8, 2019 12:03:00 PM

Attachments: <u>image001.png</u>

#### I signed it.



## **Tyler Robbins**

Investigations Manager

## **Regulatory Investigations Unit**

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office) tylerr@oic.wa.gov

From: Churchill, Harvey (OIC)

Sent: Monday, July 8, 2019 10:42 AM

**To:** Robbins, Tyler (OIC) **Subject:** RE: HPIH 1593742

Ok back at you, made most of the changes, comments about those That I could not or maybe needed to clarify, let me

know.



## Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)

HarveyC@oic.wa.gov

### **Protecting Insurance Consumers**

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From: Robbins, Tyler (OIC)

Sent: Monday, July 8, 2019 9:19 AM

To: Churchill, Harvey (OIC) < HarveyC@oic.wa.gov >; Lee, Brandon (OIC) < BrandonL@oic.wa.gov >

Subject: RE: HPIH 1593742

Back with a few minor comments, mostly to clarify things for the reader.

Thanks,



## **Tyler Robbins**

Investigations Manager

## Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office)

tylerr@oic.wa.gov

From: Churchill, Harvey (OIC)
Sent: Monday, July 8, 2019 7:49 AM

**To:** Robbins, Tyler (OIC) < <u>TylerR@oic.wa.gov</u>>

**Subject:** HPIH 1593742

Tyler,

Addressed your comments, corrections, etc. Should be good for your <u>review</u>.

Harv



## Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)

HarveyC@oic.wa.gov

## **Protecting Insurance Consumers**

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 669 of 761 PageID 1071

From: <u>Jacobs, Daniel (OIC)</u>
To: <u>Pace, Josh (OIC)</u>

**Subject:** Re: SIMBA 1528309 Donisi Jax, Stinson and Jaxtheimer consent orders on your chair

**Date:** Thursday, June 27, 2019 2:50:00 PM

Attachments: <u>image001.png</u>

#### Josh:

We are in the process of settling the HII producer cases with Brian Kreger. Yay! He emailed me PDFs of three signed consent orders from three of the producers, and I printed those out, signed them and left them on your chair.

We are anticipating getting the other three orders, it just might be a couple days, Thanks!



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

## **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900 www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

 From:
 Jacobs, Daniel (OIC)

 To:
 Tribe, Christine (OIC)

 Cc:
 Pasarow, Sofia (OIC)

Subject: Re: HII Producer Consent Order links - attached

**Date:** Tuesday, June 25, 2019 9:18:00 AM

Attachments: <u>image001.png</u>

#### Chris:

Can you please briefly review the formatting (no need to review content) for these proposed consent orders regarding 4 of the Kreger HII cases, assign them order numbers and put the Commissioner's signature in and convert them to PDF?

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Second Proposed Orders\Draft order rescinding order 19-0146 rev (jaxtheimer). BFK edits and comments (05.31.2019, ed.2.1).docx

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Second Proposed Orders\DRAFT order rescinding order 19-0147 rev (E Stinson 1528309 1536150). BFK Edits and Comments (05.31.2019, ed.2).docx

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Second Proposed Orders\Draft order rescinding order 19-0145 rev (c. petersen). BFK edits and comments (05.31.2019. ed.2).docx

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Second Proposed Orders\Draft Order rescinding order 19-0144 rev (Donisi Jax Charles Donisi). BFK edits and comments (05.31.2019).docx

#### Thanks!



## **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

## **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA OIC | wainsurance.blogspot.com | email/text alerts

 From:
 Lee, Brandon (OIC)

 To:
 Churchill, Harvey (OIC)

 Cc:
 Robbins, Tyler (OIC)

 Subject:
 FW: HII Samples

**Date:** Tuesday, June 18, 2019 1:01:25 PM

Attachments: image001.png image002.png

I completed mine, and I will work on the extra list.



Very Respectfully, **Brandon M. Lee, CFE** 

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)

BrandonL@oic.wa.gov

### **Protecting Insurance Consumers**

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Osberg, Randi (OIC)

Sent: Monday, June 17, 2019 11:10 AM

To: Robbins, Tyler (OIC)
Cc: Lee, Brandon (OIC)
Subject: FW: HII Samples

Here's my completed HII project, excel spreadsheet 55-81.



#### **Randi Osberg**

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7231 (office) randio@oic.wa.gov

From: Bullington, Jessica (OIC)
Sent: Friday, June 7, 2019 3:00 PM

**To:** Lee, Brandon (OIC) < <u>BrandonL@oic.wa.gov</u>>; Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>; Bariekman, Jamie (OIC) < <u>JamieB@oic.wa.gov</u>>; Osberg, Randi (OIC) < <u>RandiO@oic.wa.gov</u>>; Pearsall, Leslie (OIC) < <u>LeslieP@oic.wa.gov</u>>; Baker,

Stacey (OIC) < <a href="mailto:StaceyB@oic.wa.gov">StaceyB@oic.wa.gov</a>>

Cc: Robbins, Tyler (OIC) < TylerR@oic.wa.gov>

**Subject:** RE: HII Samples

In the HII spreadsheet, we will also need to review and note the disbursement amounts for additional services/coverage (e.g. VBP) but no need to note funds sent to the insurer or commissions paid. If a consumer has more than one policy with one carrier then do a separate column for each policy #. If the numbers do not match because there was a refund. Please note it in the note section. Thank you!



#### Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 Phone: 360.725.7259

Fax: 360.664.2782 JessicaB@oic.wa.gov www.insurance.wa.gov | twitter.com/WA OIC | wainsurance.blogspot.com | email/text alerts

### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

From: Lee, Brandon (OIC)

**Sent:** Friday, June 7, 2019 2:46 PM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>; Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>; Bariekman, Jamie (OIC) < <u>JamieB@oic.wa.gov</u>>; Osberg, Randi (OIC) < <u>RandiO@oic.wa.gov</u>>; Pearsall, Leslie (OIC) < <u>LeslieP@oic.wa.gov</u>>;

Baker, Stacey (OIC) < <u>StaceyB@oic.wa.gov</u>> **Cc:** Robbins, Tyler (OIC) < <u>TylerR@oic.wa.gov</u>>

Subject: FW: HII Samples

As Tyler mentioned during our investigations meeting yesterday, we are assigned number of sample desk audits (26 to 30) to assist with the HII case.

If you complete yours early please complete 163 to 189 samples, thank you. <u>HII Review of Premium Changed Assignment</u> (hyperlinked to folder)

Investigator	Sample Desk Audits
Jessica	1 to 27
Jamie	28 to 54
Randi	55 to 81
Leslie	82 to 108
Brandon	109 to 135
Stacey	136 to 162
?	163 to 189
Harv	190 to 219

These reviews are due to Tyler by June 13, 2019.



Very Respectfully,

## Brandon M. Lee, CFE

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)

BrandonL@oic.wa.gov

#### **Protecting Insurance Consumers**

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Bullington, Jessica (OIC)

**Sent:** Wednesday, June 5, 2019 11:21 AM **To:** Robbins, Tyler (OIC) < TylerR@oic.wa.gov> **Cc:** Lee, Brandon (OIC) < BrandonL@oic.wa.gov>

**Subject:** HII Samples

The <u>HII samples</u> have been broken into 8 groups. Each group has a correlating spreadsheet with the master list tab and a tab for each file to review. Harv will have 30 files to review and the rest of us will review 27 each.

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We are comparing the product cost based on the mode of payment which in most cases was monthly. The insurer disclosed cost can be found in the folder specific to each insurer. The HII disclosed cost can be found on the spreadsheet in the HII folder. The cost disclosed to the consumer can be found in the subfolder in the HII folder.

Jessica Bullington

Senior Investigator Regulatory Investigations Unit



Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 Phone: 360.725.7259

Fax: 360.664.2782

JessicaB@oic.wa.gov

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

**Protecting insurance consumers**Insurance Consumer Hotline 1.800.562.6900

 From:
 Pasarow, Sofia (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 NHH Second Proposed Drafts

 Date:
 Monday, June 17, 2019 2:19:00 PM

Attachments: image001.png

#### Daniel,

Here are the proposed drafts with comments, along with word versions with all of the changes we have decided to make. You can see the folders for the other drafts.

I can rename the files before sending to Brian.

Also, I think we can tell him that we will format the orders and send pdfs once the parties agree on the language and his clients are interested in executing the orders. I am working on an email to send to Kreger tomorrow and I will CC Darryl for review.

Please let me know if you have any questions.

#### Donisi Jax/Charles Donisi

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Draft Order rescinding order 19-0144 rev (Donisi Jax Charles Donisi). BFK edits and comments (05.31.2019).docx

Second Proposed Order Draft: S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Second Proposed Orders\Draft Order rescinding order 19-0144 rev (Donisi Jax Charles Donisi). BFK edits and comments (05.31.2019).docx

#### **NHH/Llanes**

S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\Drafts\Kreger proposed\NHH and Llanes Draft Recission CO -- BFK Edits and Comments (05.30.2019).docx

Second Proposed Order Draft: S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\Drafts\Kreger proposed\Second Proposed Orders\NHH and Llanes Draft Recission CO -- BFK Edits and Comments (05.30.2019).docx



## **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 From:
 Robbins, Tyler (OIC)

 To:
 Osberg, Randi (OIC)

 Cc:
 Lee, Brandon (OIC)

 Subject:
 RE: HII Samples

**Date:** Monday, June 17, 2019 12:51:00 PM

Attachments: image002.png image003.png

#### Great job! ☺



## **Tyler Robbins**

Investigations Manager

### **Regulatory Investigations Unit**

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office) tylerr@oic.wa.gov

From: Osberg, Randi (OIC)

Sent: Monday, June 17, 2019 11:10 AM

To: Robbins, Tyler (OIC)
Cc: Lee, Brandon (OIC)
Subject: FW: HII Samples

Here's my completed HII project, excel spreadsheet 55-81.



#### Randi Osberg

Senior Investigator

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7231 (office) randio@oic.wa.gov

From: Bullington, Jessica (OIC)
Sent: Friday, June 7, 2019 3:00 PM

**To:** Lee, Brandon (OIC) < <u>BrandonL@oic.wa.gov</u>>; Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>; Bariekman, Jamie (OIC) < <u>JamieB@oic.wa.gov</u>>; Osberg, Randi (OIC) < <u>RandiO@oic.wa.gov</u>>; Pearsall, Leslie (OIC) < <u>LeslieP@oic.wa.gov</u>>; Baker,

Stacey (OIC) < Stacey B@oic.wa.gov >

Cc: Robbins, Tyler (OIC) < TylerR@oic.wa.gov>

Subject: RE: HII Samples

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#### Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782

JessicaB@oic.wa.gov

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

From: Lee, Brandon (OIC)

Sent: Friday, June 7, 2019 2:46 PM

**To:** Bullington, Jessica (OIC) < <u>JessicaB@oic.wa.gov</u>>; Churchill, Harvey (OIC) < <u>HarveyC@oic.wa.gov</u>>; Bariekman, Jamie (OIC) < <u>JamieB@oic.wa.gov</u>>; Osberg, Randi (OIC) < <u>RandiO@oic.wa.gov</u>>; Pearsall, Leslie (OIC) < <u>LeslieP@oic.wa.gov</u>>;

Baker, Stacey (OIC) < Stacey B@oic.wa.gov>
Cc: Robbins, Tyler (OIC) < Tyler R@oic.wa.gov>

Subject: FW: HII Samples

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?	163 to 189
Harv	190 to 219

These reviews are due to Tyler by June 13, 2019.



Very Respectfully,

## Brandon M. Lee, CFE

Investigator Supervisor, Regulatory Investigations Unit, Legal Affairs Division Washington State Office of the Insurance Commissioner (360) 725-7265 (office) (360) 664-2782 (fax)

BrandonL@oic.wa.gov

#### **Protecting Insurance Consumers**

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Bullington, Jessica (OIC)

Sent: Wednesday, June 5, 2019 11:21 AM
To: Robbins, Tyler (OIC) < TylerR@oic.wa.gov >
Cc: Lee, Brandon (OIC) < BrandonL@oic.wa.gov >

**Subject:** HII Samples

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### Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division Washington State Office of the Insurance Commissioner



PO Box 40255 Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

 From:
 Colman, Darryl (OIC)

 To:
 Pasarow, Sofia (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 RE: NHH Drafts

**Date:** Friday, June 14, 2019 4:14:32 PM

ents: image001.png image003.png image004.png

#### Sofia and Daniel -

Attachments:

I've read enough. I'm more than satisfied with your approach and responses to Mr. Kreger, who is making legal arguments that he should know are erroneous, and bare self-interested assertions are not factual support. Distinct outcomes in settlements that are within the agency's overall authority, particularly based on the individual merits of each case, as here, are not discriminatory and are in fact left to the agency's reasoned discretion.

If Mr. Kreger's clients do not agree to our terms, they are more than welcome to litigate the case. We are prepared to prove every significant contention in those orders at hearing, and I suspect he is not able to do the opposite.

You don't need to engage with his bluster any further. While I don't mind taking some charges out, the appropriate overall response is to either accept our settlement offer or litigate these matters.

Thanks,

Darryl

Darryl E. Colman

Attorney Manager, Legal Affairs

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255

(360)725-7118; (360) 664-2782 (fax)

DarrylC@oic.wa.gov

**Protecting Insurance Consumers** 

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Pasarow, Sofia (OIC)

Sent: Thursday, June 13, 2019 9:27 AM

To: Colman, Darryl (OIC)
Cc: Jacobs, Daniel (OIC)
Subject: FW: NHH Drafts

Darryl,

I have attached the draft rescission orders with Kreger's comments and our responses. A lot of the comments overlap in all of the orders. If you could please review, at least some of the main comments, Daniel and I would like to send the revised proposed orders to Kreger on Friday. In addition, we plan to draft an email to address Kreger's approach.

Please let us know if you have any questions.

Sincerely,



## **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Draft Order rescinding order 19-0144 rev (Donisi Jax Charles Donisi). BFK edits and comments (05.31.2019).docx S:\Open Cases\Nat'| Health Hub #2 (Nelson) 1536283\Drafts\Kreger proposed\NHH and Llanes Draft Recission CO -- BFK Edits and Comments (05.30.2019).docx

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S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\Drafts\Kreger proposed\DRAFT Order rescinding order 19 0160
Revoking License (M Palterovich 1536283). BFK edits and comments (05.30.2019).docx

**Daniel Jacobs** 



Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

### **Protecting Insurance Consumers**

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www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Pasarow, Sofia (OIC)

**Sent:** Monday, June 10, 2019 8:29 AM **To:** Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>

Subject: NHH Drafts

Daniel,

I can't seem to find all of the proposed drafts with your comments. Do you know where they are located in the folder? Sincerely.



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 680 of 761 PageID 1082

From: Jacobs, Daniel (OIC)
To: Pasarow, Sofia (OIC)
Subject: Re: HII NYT article

**Date:** Thursday, June 13, 2019 8:46:00 AM

Attachments: <u>image001.png</u>

## https://www.nytimes.com/2019/06/12/health/insurance-lawsuit-obamacare.html



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

SHINGTON STATE

## **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900
<a href="https://www.insurance.wa.gov">www.insurance.wa.gov</a> | <a href="https://www.insurance.blogspot.com">twitter.com/WA OIC</a> | <a href="https://www.insurance.blogspot.com">www.insurance.blogspot.com</a> | <a href="https://email/text.alerts">email/text.alerts</a> | <a href="https://email/text.alerts">www.insurance.wa.gov</a> | <a href="https://email/text.alerts">twitter.com/WA OIC</a> | <a href="https://email/text.alerts">www.insurance.wa.gov</a> | <a href="https://email/text.alerts">twitter.com/WA OIC</a> | <a href="https://email/text.alerts">www.insurance.wa.gov</a> | <a href="https://email/text.alerts">twitter.com/WA OIC</a> | <a href="https://email/text.alerts">www.insurance.blogspot.com</a> | <a href="https://email/text.alerts">email/text.alerts</a> | <a href="https://email/text.alerts">www.insurance.blogspot.com</a> | <a href="https://email/text.alerts">email/text.alerts</a> | <a href="https://email/text.alerts">www.insurance.blogspot.com</a> | <a href="https://email/text.alerts">www.insurance.blogspot.com</a

 From:
 Pasarow, Sofia (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 RE: NHH Drafts

**Date:** Monday, June 10, 2019 9:57:39 AM

Attachments: image001.png image002.png

#### Daniel,

Thank you for the links. I will review today.

Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Monday, June 10, 2019 8:35 AM

**To:** Pasarow, Sofia (OIC) **Subject:** RE: NHH Drafts

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Draft Order rescinding order 19-0144 rev (Donisi Jax Charles Donisi). BFK edits and comments (05.31.2019).docx S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Draft order rescinding order 19-0145 rev (c. petersen). BFK edits and comments (05.31.2019. ed.2).docx S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\Draft order rescinding order 19-0146 rev (jaxtheimer). BFK edits and comments (05.31.2019, ed.2.1).docx S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed\DRAFT order rescinding order 19-0147 rev (E Stinson 1528309 1536150). BFK Edits and Comments (05.31.2019. ed.2).docx S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\Drafts\Kreger proposed\DRAFT Order rescinding order 19 0160 Revoking License (M Palterovich 1536283). BFK edits and comments (05.30.2019).docx



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

### **Protecting Insurance Consumers**

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From: Pasarow, Sofia (OIC)

Sent: Monday, June 10, 2019 8:29 AM

To: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>

Subject: NHH Drafts

Daniel.

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### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 RE: NHH Drafts

**Date:** Monday, June 10, 2019 8:32:00 AM

Attachments: image002.png image003.png

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\drafts\Kreger proposed S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\Drafts\Kreger proposed



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

## **Protecting Insurance Consumers**

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**To:** Jacobs, Daniel (OIC) **Subject:** NHH Drafts

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Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)

 From:
 Robbins, Tyler (OIC)

 To:
 Lee, Brandon (OIC)

 Subject:
 FW: HII Samples

**Date:** Thursday, June 6, 2019 4:38:00 PM

Attachments: image001.png image002.png

You'll have to assign these out. I'm not doing one, and neither is Wes. So, give Wes' load to Harv so he has double (it's his case, after all). Please find out from Jessica exactly how this is supposed to work, and assign it to people. Unless you think it's impossible, we need this done by 13 June.

I looked at it, and can't figure out what's needed. Maybe Jessica can walk you through, so you can understand. I should have had Jessica show everyone at the meeting, but the computer mouse wasn't working ...  $\otimes$ 



## **Tyler Robbins**

Investigations Manager

### **Regulatory Investigations Unit**

Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7044 (office)

tylerr@oic.wa.gov

From: Bullington, Jessica (OIC)

Sent: Wednesday, June 5, 2019 11:21 AM

To: Robbins, Tyler (OIC)
Cc: Lee, Brandon (OIC)
Subject: HII Samples

The <u>HII samples</u> have been broken into 8 groups. Each group has a correlating spreadsheet with the master list tab and a tab for each file to review. Harv will have 30 files to review and the rest of us will review 27 each.

On the file specific tab, the reviewer will need to add a column for each insurer and add an additional column for any additional charges that were disclosed. The template names some insurers and additional charges that may or may not apply to the specific file being reviewed. The reviewer will need to update the template with the information included on the master list tab that is specific to the file being reviewed.

We are comparing the product cost based on the mode of payment which in most cases was monthly. The insurer disclosed cost can be found in the folder specific to each insurer. The HII disclosed cost can be found on the spreadsheet in the HII folder. The cost disclosed to the consumer can be found in the subfolder in the HII folder.



### Jessica Bullington

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 684 of 761 PageID 1086

From: <u>Jacobs, Daniel (OIC)</u>

To: Colman, Darryl (OIC); Pasarow, Sofia (OIC)

Cc: Tribe, Christine (OIC)

**Subject:** Re: HII Producer Pre-hearing conferences this week - have all been continued

**Date:** Tuesday, May 28, 2019 8:27:00 AM

Attachments: <u>image001.pnq</u>

Just got off the phone with ALJ Pierce and Kreger. She said in light of my and Kreger's confidence that we are going to resolve these cases, we are going to continue the 6 pre-hearing conferences on the HII producers, and we are going to have a joint status conference of all 6 matters some time in mid June-ish, and if we aren't settled by that point, we likely aren't going to settle, so at that point, if we need to, then we reset the 6 pre-hearing conferences and go from there.



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

## **Protecting Insurance Consumers**

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 From:
 Jacobs, Daniel (OIC)

 To:
 Colman, Darryl (OIC)

 Cc:
 Pasarow, Sofia (OIC)

**Subject:** Re: Draft rescission orders for HII producers

**Date:** Friday, May 24, 2019 4:43:00 PM

Attachments: <u>image001.png</u>

## Darryl:

Rather than send you the links to all six draft rescission orders, here is one of them for your review. Sofia and I were hoping to get these to Kreger by COB on Wednesday the 29<sup>th</sup> S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\Draft order rescinding order 19-0144 rev (Donisi Jax & Charles Donisi).docx Thanks,



## **Daniel Jacobs**

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danielj@oic.wa.gov

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 From:
 Hood, Toni (OIC)

 To:
 Robbins, Tyler (OIC)

 Subject:
 RE: HII follow up

**Date:** Tuesday, May 14, 2019 1:22:00 PM

Attachments: <u>image001.png</u> image002.png

Great. I remember you talking about this. If they do not meet the deadline of tomorrow, let chat about next steps.



#### Toni Hood

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 360.725.7050 (office) tonih@oic.wa.gov

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**From:** Robbins, Tyler (OIC)

**Sent:** Tuesday, May 14, 2019 11:03 AM **To:** Andrus, Suzanne (OIC); Hood, Toni (OIC)

Subject: RE: HII follow up

HII is scheduled to provide all documents on 15 May. We'll parcel out the analysis task to all investigators shortly afterwards, after which the case can likely be wrapped up.

Thanks.



## **Tyler Robbins**

Investigations Manager

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office) tylerr@oic.wa.gov

-

From: Andrus, Suzanne (OIC)

**Sent:** Tuesday, May 14, 2019 7:53 AM **To:** Robbins, Tyler (OIC) < TylerR@oic.wa.gov>

Subject: HII follow up

Hello.

Toni wanted a follow up on HII about the email you sent on 04/25/19, if you have already followed up with her? Let me know and I will make a note on my calendar, if not please send her an update and CC me please.

All:

Allegations, broadly speaking:

- 1. **Selling unauthorized products**. Solid evidence, nothing left to investigate
- 2. Unlicensed producers. Solid evidence; nothing left to investigate
- 3. **Deliberately misrepresenting premium to consumers (i.e. theft):** Need final data; evidence strongly suggests this has occurred, with substantial cumulative monetary total just from the representative transactions we pulled

The last allegation is the most serious, by far. We requested detailed premium data from HII, and corresponding records from the various insurers, to compare amounts and see if anything ... bad was happening. HII didn't provide the full range of data we asked for; but, even so, the evidence suggests HII is

charging rates far in excess of the stated premium amounts set by the insurer. We've pulled 200 representative transactions (out of 36,000+), but still need the missing data to fill in all the blanks. We've requested it from HII, along with confirmation about what premium numbers it disclosed to consumers, to compare it to reality. Once we get this data, all the investigators will take portions of the 200 transactions and get the analysis done within one week.

We want to lock the evidence in on the latter allegation because it's the most serious, and the missing data will get us that. Another few weeks, max.



## **Suzi Andrus**

Administrative Assistant to Toni Hood Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7130

suzannea@oic.wa.gov

## **Protecting Insurance Consumers**

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To: Subject: Date: Attachments Haworth, John (OIC)
Robbins, Tyler (OIC)
HealthPocket, Inc
Monday, May 6, 2019 2:50:22 PM

Tyler

There is a marketing firm called HealthPocket, Inc. that appears to be part of the HII organization. Have you or your staff looked at this entity?

About 216,000 results (0.39 seconds)

Healthpocket: Find Affordable Health Insurance Plans for 2019 https://www.healthpocket.com/ ▼

Save by comparing all health plan premiums in your area. Obamacare, Medicare, and Dental Plans. Find out how to save on your out-of-pocket medical costs.

Search healthpocket.com

Individual Health Insurance
Compare affordable individual Health
HealthPocket's InfoStat Reports

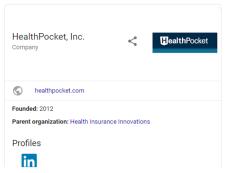
Contact Us Contact Healthpocket. We want your feedback. Please email us ...

Insurance quotes in your ...

About Us
Please email us at

provide analyses and ...

comments@healthpocket.com. Updated ...





## John Haworth

Market Conduct Oversight Manager CIE, CPCU, FLMI, MBA, MCM Washington State Office of the Insurance Commissioner

JohnHaw@oic.wa.gov

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 689 of 761 PageID 1091

From: <u>Jacobs, Daniel (OIC)</u>

To: Hood, Toni (OIC); Colman, Darryl (OIC); Tribe, Christine (OIC)

Cc: Pasarow, Sofia (OIC)

**Subject:** Re: Daniel and Sofia meeting with Kreger Thursday May 9th at 2 pm

**Date:** Friday, May 3, 2019 10:42:00 AM

Attachments: <u>image001.png</u>

# On the HII producer cases, just an FYI



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

360-725-7264 danielj@oic.wa.gov

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From: <u>Jacobs, Daniel (OIC)</u>
To: <u>Tribe, Christine (OIC)</u>

Subject: RE: Everest Reinsurance Co. & Health Plan Intermediaries 1536283 - FYI

**Date:** Thursday, April 25, 2019 3:16:00 PM

Attachments: <u>image001.pnq</u>

That would explain why they keep showing up! Not a problem, thanks for the heads up,



# **Daniel Jacobs**

Insurance Enforcement Specialist
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danieli@oic.wa.gov

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From: Tribe, Christine (OIC)

**Sent:** Thursday, April 25, 2019 3:13 PM

To: Jacobs, Daniel (OIC)

Subject: Everest Reinsurance Co. & Health Plan Intermediaries 1536283 - FYI

Hi Daniel,

Josh used "Reviewed with no action" for the case status in Everest and Health Plan Intermediaries. However, those names will still appear in the SIMBA Assignments tab. We can't close because the case involves producers we have hearings on.

I will just remove those names from you're At-a-Glance.

Chris



# Christine M. Tribe

Paralegal
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255
Washington State Office of the Insurance Commissioner
360.725.7061
ChrisT@oic.wa.gov

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From: Hood, Toni (OIC)
To: Andrus, Suzanne (OIC)

Subject: FW: HII

**Date:** Thursday, April 25, 2019 11:42:00 AM

Attachments: image001.png

Please tickle for me to follow up on in 3 weeks



## Toni Hood

Deputy Insurance Commissioner, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 360.725.7050 (office) tonih@oic.wa.qov

## **Protecting Insurance Consumers**

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From: Robbins, Tyler (OIC)

Sent: Thursday, April 25, 2019 8:29 AM

To: Hood, Toni (OIC); Colman, Darryl (OIC); Mince, Mike (OIC)

Subject: HII

All:

Allegations, broadly speaking:

- 1. **Selling unauthorized products**. Solid evidence, nothing left to investigate
- 2. Unlicensed producers. Solid evidence; nothing left to investigate
- 3. **Deliberately misrepresenting premium to consumers (i.e. theft):** Need final data; evidence strongly suggests this has occurred, with substantial cumulative monetary total just from the representative transactions we pulled

The last allegation is the most serious, by far. We requested detailed premium data from HII, and corresponding records from the various insurers, to compare amounts and see if anything ... bad was happening. HII didn't provide the full range of data we asked for; but, even so, the evidence suggests HII is charging rates far in excess of the stated premium amounts set by the insurer. We've pulled 200 representative transactions (out of 36,000+), but still need the missing data to fill in all the blanks. We've requested it from HII, along with confirmation about what premium numbers it disclosed to consumers, to compare it to reality. Once we get this data, all the investigators will take portions of the 200 transactions and get the analysis done within one week.

We want to lock the evidence in on the latter allegation because it's the most serious, and the missing data will get us that. Another few weeks, max.

Thanks,



## **Tyler Robbins**

Investigations Manager

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office)

tylerr@oic.wa.gov

From: <u>Jacobs, Daniel (OIC)</u>
To: <u>Colman, Darryl (OIC)</u>

**Subject:** Re: Call with Kreger this morning on HII producer cases

**Date:** Friday, April 12, 2019 10:11:00 AM

Attachments: <u>image001.png</u>

I've already made the SIMBA entry, but I figured I would update you via email as well. Mr. Kreger called me this morning and we discussed the following:

- 1. He is withdrawing on Serena Goldin not much else on this point.
- 2. He is interested in having an in-person meeting to address all of the HII producer cases (currently six revocation orders with six demand for hearings, six producers and two agencies); he wanted to know what OIC "wanted out of all of this" and would like to avoid having to do six separate hearings
  - a. He said as an aside that he would request six separate hearings for due process purposes, and each hearing could last a day or two
- 3. He mentioned that he would like to get this done ideally before things get fully transferred to OAH and are then in Marta's hands, at which point he said as an aside that he "assumed Marta would be handling the cases at OAH" I did not respond to this statement
- 4. He also mentioned that he was going to be out of town from April 22 to May 2, and would likely not be able to meet before then, which seemed odd given the comment about trying to resolve it before it goes to OAH
- 5. I told him I would speak to my supervisors and circle back with him



## **Daniel Jacobs**

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From: Jacobs, Daniel (OIC)

To: Tribe, Christine (OIC)

Subject: FW: Washington Consent Order 19-0107

Date: Thursday, April 11, 2019 10:44:00 AM

Attachments: <u>image001.png</u>

#### Chris:

Ameritas and I have been going back and forth on revisions to the order and we've come to a version that we both agree on. Here is the edited word order, if you could put it into a PDF for me to email back to her, that would be great.

S:\Open Cases\Ameritas Life Insurance Company 1582647\DRAFT Consent Order with Compliance Plan.4.11.19.edits.docx

Additionally, is there anything she should know about the certification requirements? Thanks.



#### **Daniel Jacobs**

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danielj@oic.wa.gov

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From: Kate McCown [mailto:KMcCown@ameritas.com]

Sent: Thursday, April 11, 2019 7:35 AM

To: Jacobs, Daniel (OIC)

Subject: RE: Washington Consent Order 19-0107

Good morning, thank you for the suggestion. I made one small clarification below in red. If acceptable, please send the final draft for signing and I will work on the check. Also, is there anything I need to do for the compliance certification?

Thank you,

Kate

Kate McCown, CHC, LLIF | Ameritas Group® | Vice President and Compliance Officer 475 Fallbrook Blvd, Lincoln, NE 68521 | p: 402-309-2019 | f: 402-309-2573 | kmccown@ameritas.com

From: Jacobs, Daniel (OIC) < Daniel J@oic.wa.gov>
Sent: Wednesday, April 10, 2019 3:26 PM
To: Kate McCown < KMcCown@ameritas.com>
Subject: RE: Washington Consent Order 19-0107

I did not have any specific wording in mind, but I have the following suggestion:

Paragraph 5 currently reads as follows:

During the period of January 1, 2017, through July 31, 2017, 126 insurance producers generated 1,060 transactions, earning the Company \$69,039.77 in monthly premium. Of the 126 insurance producers, 99 of them were not appointed by the Company. These un-appointed producers generated 1,001 transactions, resulting in \$12,016.22 in monthly premium.

## I would propose revising to read as follows:

During the period of January 1, 2017, through July 31, 2017, 126 insurance producers generated 1,060 transactions, earning the Company \$69,039.77 in monthly premium. While approximately 78% of those producers were not affiliated with the agency or appointed to the Company at the time of sale, the non-affiliated or appointed producers accounted for only 17.4% of the monthly premiums generated.

Alternatively, I am open to other suggestions for wording changes. Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Kate McCown [mailto:KMcCown@ameritas.com]

Sent: Wednesday, April 10, 2019 10:34 AM

To: Jacobs, Daniel (OIC) < <u>Daniel J@oic.wa.gov</u>>

Subject: Re: Washington Consent Order 19-0107

Called her and we are good with the revision of the penalty amount with the compliance certification, and appreciate the flexibility. I believe we requested the wording to be adjusted re: the agent appointment. Do you have a draft of that, or are you wanting me to make a

suggestion?

Kate McCown, LLIF, CHC

Vice President, Group Compliance

kmccown@ameritas.com

402-309-2019

From: Kate McCown < <a href="mailto:kmccown@ameritas.com">kmccown@ameritas.com</a>>
Sent: Wednesday, April 10, 2019 1:31 PM

To: Jacobs, Daniel (OIC)

Subject: Re: Washington Consent Order 19-0107

Hi Mr. Jacobs, my apology for the delay. I have been out of the office on travel and sent this to my boss to make sure she doesn't have any further questions. I haven't heard back from her so followed up a bit ago. I will get back to you today!

Kate McCown, LLIF, CHC

Vice President, Group Compliance

kmccown@ameritas.com

402-309-2019

From: Jacobs, Daniel (OIC) < <a href="mailto:danielj@oic.wa.gov">danielj@oic.wa.gov</a>>

**Sent:** Monday, April 8, 2019 1:56 PM

To: Kate McCown

Subject: RE: Washington Consent Order 19-0107

Ms. McCown:

After speaking to my supervisor about this matter, the Office of the Insurance Commissioner is willing to adjust the terms of the current consent order to impose a fine of \$50,000 and suspend \$30,000 of that fine, rather than suspending \$20,000. All of the remaining terms and conditions of the proposed consent order remain the same. Please let me know if Ameritas accepts these terms, and I will have a PDF copy of the amended consent order sent over. Sincerely,

## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255



360-725-7264 danieli@oic.wa.gov

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From: Kate McCown [mailto:KMcCown@ameritas.com]

Sent: Friday, April 5, 2019 12:50 PM

**To:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> **Subject:** RE: Washington Consent Order 19-0107
Thank you so much, we truly appreciate the extension.

Sorry and thank you for catching that! It was approved in 2012. Thank you for the additional clarification on the press release.

I hope you have a good weekend!

Kate

Kate McCown, CHC, LLIF | Ameritas Group® | Vice President and Compliance Officer 475 Fallbrook Blvd, Lincoln, NE 68521 | p: 402-309-2019 | f: 402-309-2573 | kmccown@ameritas.com

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

**Sent:** Friday, April 5, 2019 1:09 PM

To: Kate McCown < <a href="mailto:KMcCown@ameritas.com">KMcCown@ameritas.com</a> > Subject: RE: Washington Consent Order 19-0107

Ms. McCown:

My supervisor is currently out of the office, so I will need to run this by him when returns next week. As such, please consider this another extension to Monday, April 15<sup>th</sup>, 2019 to facilitate a resolution to this matter.

In reviewing your responses, I have a question and a brief comment.

You say that the combined vision and dental certificate under the policy issued to USA+ was reviewed and approved by the Insurance Commissioner in [year], which I presume was meant to be filled in with a specific year. Do you happen to have the year when that was initially approved?

Additionally, you mentioned the concern about a press release, which was previously brought up during our phone call in March. RCW 48.01.030 provides that the business of insurance is one affected by the public interest, and in line with the Insurance Commissioner's dedication to transparency and the trust placed in this office by the people of Washington state, all consent orders entered into are public and are posted on the Insurance Commissioner's website. While there are occasionally press releases for individual consent orders or enforcement actions, the typical procedure is to include a link to the consent order in a monthly summary of the Office of the Insurance Commissioner's actions.

For reference, I have included a link to the announcement from March 2019 for consent orders and enforcement actions.

https://www.insurance.wa.gov/news/kreidler-fines-asuris-health-insurance-20000-denying-consumer-claims-after-approving-medical Sincerely,

#### Daniel Jacobs

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264



danieli@oic.wa.gov

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From: Kate McCown [mailto:KMcCown@ameritas.com]

**Sent:** Tuesday, April 2, 2019 12:39 PM

To: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>
Subject: RE: Washington Consent Order 19-0107

Good afternoon Mr. Jacobs,

Thank you for your communication on March 29<sup>th</sup>, and the extension for returning the consent order to April 8<sup>th</sup>. We appreciate the consideration by the Office to reduce the \$50,000 fine with \$20,000 suspended to a \$20,000 fine with \$10,000 suspended. As we discussed on the phone, Ameritas fully intends to agree to the certification process as all issues of the Consent Order have been corrected

Per your request for additional information:

Additional information on combined dental/vision policy issue:

- The combined dental and vision certificates under the policy issued to
   United Service as well as the Association, as well as the association itself,
   was previously reviewed and approved by the Washington Office of the
   Insurance Commissioner in (year).
- In September 30, 2015, a letter to carriers was released stating the OIC will not approve excepted benefit plans that combine dental and vision benefits in a single plan or a rider.
- Ameritas took immediate steps to re-issue group coverage in the state that contained both dental and vision in one insurance policy into separate policies.
- The policy for United Service Association was missed when the rest of our business in Washington was updated to conform to the new requirement.
- This error was brought to our attention through this Market Continuum process.
- Ameritas took immediate steps to rectify this issue and corrected the
  policies on October 17, 2017. This was done prior to the first draft
  report of the market continuum released to Ameritas on April 19,
  2018. Further, Ameritas ceased selling any dental and vision products
  through the United Service Association (USA+) and through Health
  Plan Intermediary Holdings LLC (HII).
- This was an unintentional oversight by Ameritas. In addition, there was no actual consumer harm done due to this oversight.

Additional information on HII agent appointment issue:

- Ameritas appointed the agency, Health Plan Intermediaries Holdings LLC (HII) in good faith per our understanding of Washington requirement to appoint the agency or the individual agents.
- Ameritas was unaware of the requirement of the agency to ensure that individual agents selling under the agency are affiliated with the agency, as that is not a compliance requirement of the insurer.

- We were made aware during the Market Continuum process that the state feels the insurer should have oversight of the agency to ensure their compliance with any agent affiliation.
- We are aware that up to 18 other carriers in the state of Washington that appointed this agency also did not have oversight of issue. Ameritas immediately contacted United Service Association to get this issue rectified, and the agency did affiliate the producers in Washington.
- Ameritas has taken steps to ensure this oversight for any agency we have appointed in the future. We will appoint the individual agency if they are not affiliated with the agency in an abundance of caution, rather than requesting the agency ensure they affiliate the agent with their agency.
- In addition, Ameritas has sent an agency termination letter to Health Plan Intermediaries Holdings LLC (HII) effective 4/1/19. No business in Washington will be written through this agency.
- Ameritas did not intentionally or willfully violate any law; the requirement for agent affiliation was unknown and we thought we were in full compliance when the agency was appointed.

We remain concerned that indication of Ameritas in a headlined press release may instill distrust in Ameritas by Washington residents, when there was no actual harm done to any consumer. In addition to any reduction in the fine amount, would the OIC consider withholding a press release on this fine? Thank you for your time and consideration. We really appreciate your assistance and I am happy to answer any additional questions or provide documentation if needed to any of the above information to support the reduction in the fine. Best,

Kate

Kate McCown, CHC, LLIF | Ameritas Group® | Vice President and Compliance Officer

475 Fallbrook Blvd, Lincoln, NE 68521 | p: 402-309-2019 | f: 402-309-2573 | kmccown@ameritas.com

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Friday, March 29, 2019 2:58 PM

**To:** Kate McCown < <a href="mailto:KMcCown@ameritas.com">KMcCown@ameritas.com</a> > **Subject:** Re: Washington Consent Order 19-0107

Ms. McCown:

I am following up on our conversation from last week, March 21<sup>st</sup>. During that call, you proposed that the fine imposed be reduced from a \$50,000 fine with \$20,000 suspended to a \$20,000 fine with \$10,000 suspended. After speaking with my supervisor, I will need the request for the fine reduction in writing, and if you would be able to point to specific facts not present in the consent order which justify the fine reduction, that will assist my office greatly.

Given that your response is currently due this Monday, April 1<sup>st</sup>, let this email also serve as an extension until Monday, April 8<sup>th</sup> for returning the consent order.

Please feel free to follow up with me directly with any questions,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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\*\*\*\*\*\*\*

#### \*\*\*\*\*

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\*\*\*\*\*\*\*

From: <u>Jacobs, Daniel (OIC)</u>
To: <u>"Kate McCown"</u>

Subject: RE: Washington Consent Order 19-0107

Date: Wednesday, April 10, 2019 1:25:00 PM

Attachments: <u>image001.png</u>

# I did not have any specific wording in mind, but I have the following suggestion: Paragraph 5 currently reads as follows:

During the period of January 1, 2017, through July 31, 2017, 126 insurance producers generated 1,060 transactions, earning the Company \$69,039.77 in monthly premium. Of the 126 insurance producers, 99 of them were not appointed by the Company. These un-appointed producers generated 1,001 transactions, resulting in \$12,016.22 in monthly premium.

## I would propose revising to read as follows:

During the period of January 1, 2017, through July 31, 2017, 126 insurance producers generated 1,060 transactions, earning the Company \$69,039.77 in monthly premium. While approximately 78% of those producers were not appointed to the Company at the time of sale, the non-appointed producers accounted for only 17.4% of the monthly premiums generated. Alternatively, I am open to other suggestions for wording changes.

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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**From:** Kate McCown [mailto:KMcCown@ameritas.com]

Sent: Wednesday, April 10, 2019 10:34 AM

**To:** Jacobs, Daniel (OIC)

**Subject:** Re: Washington Consent Order 19-0107

Called her and we are good with the revision of the penalty amount with the compliance certification, and appreciate the flexibility. I believe we requested the wording to be adjusted re: the agent appointment. Do you have a draft of that, or are you wanting me to make a

suggestion?

Kate McCown, LLIF, CHC

Vice President, Group Compliance

kmccown@ameritas.com

402-309-2019

**From:** Kate McCown < <u>kmccown@ameritas.com</u>>

Sent: Wednesday, April 10, 2019 1:31 PM

To: Jacobs, Daniel (OIC)

Subject: Re: Washington Consent Order 19-0107

Hi Mr. Jacobs, my apology for the delay. I have been out of the office on travel and sent this to

my boss to make sure she doesn't have any further questions. I haven't heard back from her so followed up a bit ago. I will get back to you today!

Kate McCown, LLIF, CHC

Vice President, Group Compliance

kmccown@ameritas.com

402-309-2019

From: Jacobs, Daniel (OIC) < <a href="mailto:danieli@oic.wa.gov">danieli@oic.wa.gov</a>>

**Sent:** Monday, April 8, 2019 1:56 PM

To: Kate McCown

Subject: RE: Washington Consent Order 19-0107

Ms. McCown:

After speaking to my supervisor about this matter, the Office of the Insurance Commissioner is willing to adjust the terms of the current consent order to impose a fine of \$50,000 and suspend \$30,000 of that fine, rather than suspending \$20,000. All of the remaining terms and conditions of the proposed consent order remain the same. Please let me know if Ameritas accepts these terms, and I will have a PDF copy of the amended consent order sent over.

Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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From: Kate McCown [mailto:KMcCown@ameritas.com]

**Sent:** Friday, April 5, 2019 12:50 PM

**To:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>> **Subject:** RE: Washington Consent Order 19-0107
Thank you so much, we truly appreciate the extension.

Sorry and thank you for catching that! It was approved in 2012.

Thank you for the additional clarification on the press release.

I hope you have a good weekend!

Kate

**Kate McCown, CHC, LLIF | Ameritas Group® |** Vice President and Compliance Officer 475 Fallbrook Blvd, Lincoln, NE 68521 | p: 402-309-2019 | f: 402-309-2573 | kmccown@ameritas.com

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

**Sent:** Friday, April 5, 2019 1:09 PM

**To:** Kate McCown < <a href="mailto:KMcCown@ameritas.com">KMcCown@ameritas.com</a> > **Subject:** RE: Washington Consent Order 19-0107

Ms. McCown:

My supervisor is currently out of the office, so I will need to run this by him when returns next week. As such, please consider this another extension to Monday, April 15<sup>th</sup>, 2019 to facilitate a resolution to this matter.

In reviewing your responses, I have a question and a brief comment.

You say that the combined vision and dental certificate under the policy issued to USA+ was reviewed and approved by the Insurance Commissioner in [year], which I presume was meant to be filled in with a specific year. Do you happen to have the year when that was initially approved?

Additionally, you mentioned the concern about a press release, which was previously brought up during our phone call in March. RCW 48.01.030 provides that the business of insurance is one affected by the public interest, and in line with the Insurance Commissioner's dedication to transparency and the trust placed in this office by the people of Washington state, all consent orders entered into are public and are posted on the Insurance Commissioner's website. While there are occasionally press releases for individual consent orders or enforcement actions, the typical procedure is to include a link to the consent order in a monthly summary of the Office of the Insurance Commissioner's actions.

For reference, I have included a link to the announcement from March 2019 for consent orders and enforcement actions.

https://www.insurance.wa.gov/news/kreidler-fines-asuris-health-insurance-20000denying-consumer-claims-after-approving-medical Sincerely,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Kate McCown [mailto:KMcCown@ameritas.com]

Sent: Tuesday, April 2, 2019 12:39 PM

To: Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>> Subject: RE: Washington Consent Order 19-0107

Good afternoon Mr. Jacobs,

Thank you for your communication on March 29<sup>th</sup>, and the extension for returning the consent order to April 8<sup>th</sup>. We appreciate the consideration by the Office to reduce the \$50,000 fine with \$20,000 suspended to a \$20,000 fine with \$10,000 suspended. As we discussed on the phone, Ameritas fully intends to agree to the certification process as all issues of the Consent Order have been corrected.

Per your request for additional information:

Additional information on combined dental/vision policy issue:

- The combined dental and vision certificates under the policy issued to United Service as well as the Association, as well as the association itself, was previously reviewed and approved by the Washington Office of the Insurance Commissioner in (year).
- In September 30, 2015, a letter to carriers was released stating the OIC will not approve excepted benefit plans that combine dental and vision benefits in a single plan or a rider.
- Ameritas took immediate steps to re-issue group coverage in the state that

contained both dental and vision in one insurance policy into separate policies.

- The policy for United Service Association was missed when the rest of our business in Washington was updated to conform to the new requirement.
- This error was brought to our attention through this Market Continuum process.
- Ameritas took immediate steps to rectify this issue and corrected the
  policies on October 17, 2017. This was done prior to the first draft
  report of the market continuum released to Ameritas on April 19,
  2018. Further, Ameritas ceased selling any dental and vision products
  through the United Service Association (USA+) and through Health
  Plan Intermediary Holdings LLC (HII).
- This was an unintentional oversight by Ameritas. In addition, there was no actual consumer harm done due to this oversight.

Additional information on HII agent appointment issue:

- Ameritas appointed the agency, Health Plan Intermediaries Holdings LLC (HII) in good faith per our understanding of Washington requirement to appoint the agency or the individual agents.
- Ameritas was unaware of the requirement of the agency to ensure that individual agents selling under the agency are affiliated with the agency, as that is not a compliance requirement of the insurer.
- We were made aware during the Market Continuum process that the state feels the insurer should have oversight of the agency to ensure their compliance with any agent affiliation.
- We are aware that up to 18 other carriers in the state of Washington that appointed this agency also did not have oversight of issue. Ameritas immediately contacted United Service Association to get this issue rectified, and the agency did affiliate the producers in Washington.
- Ameritas has taken steps to ensure this oversight for any agency we have appointed in the future. We will appoint the individual agency if they are not affiliated with the agency in an abundance of caution, rather than requesting the agency ensure they affiliate the agent with their agency.
- In addition, Ameritas has sent an agency termination letter to Health Plan Intermediaries Holdings LLC (HII) effective 4/1/19. No business in Washington will be written through this agency.
- Ameritas did not intentionally or willfully violate any law; the requirement for agent affiliation was unknown and we thought we were in full compliance when the agency was appointed.

We remain concerned that indication of Ameritas in a headlined press release may instill distrust in Ameritas by Washington residents, when there was no actual harm done to any consumer. In addition to any reduction in the fine amount, would the OIC consider withholding a press release on this fine? Thank you for your time and consideration. We really appreciate your assistance and I am happy to answer any additional questions or provide documentation if needed to any of the above information to support the reduction in the fine. Best.

Kate

Kate McCown, CHC, LLIF | Ameritas Group® | Vice President and Compliance Officer

475 Fallbrook Blvd, Lincoln, NE 68521 | p: 402-309-2019 | f: 402-309-2573 | kmccown@ameritas.com

From: Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Sent: Friday, March 29, 2019 2:58 PM

**To:** Kate McCown < <a href="mailto:KMcCown@ameritas.com">KMcCown@ameritas.com</a> > **Subject:** Re: Washington Consent Order 19-0107

Ms. McCown:

I am following up on our conversation from last week, March 21<sup>st</sup>. During that call, you proposed that the fine imposed be reduced from a \$50,000 fine with \$20,000 suspended to a \$20,000 fine with \$10,000 suspended. After speaking with my supervisor, I will need the request for the fine reduction in writing, and if you would be able to point to specific facts not present in the consent order which justify the fine reduction, that will assist my office greatly.

Given that your response is currently due this Monday, April 1<sup>st</sup>, let this email also serve as an extension until Monday, April 8<sup>th</sup> for returning the consent order.

Please feel free to follow up with me directly with any questions,



## **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

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immediately thereafter. Thank you. \*\*\*\*\*\*

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\*\*\*\*\*\*\*

 From:
 Robbins, Tyler (OIC)

 To:
 Mince, Mike (OIC)

 Subject:
 RE: Case update

Date: Wednesday, April 3, 2019 9:05:00 AM

Attachments: <u>image001.png</u>

#### Mike:

Trinity will be turned in today. Harvey and Jessica just received several thousand documents from HII. They have to comb through them, then likely send one letter back to HII for comment, and the case will be done. It will likely be a bit more than a month before we have any substantive news.

## Thanks,



## Tyler Robbins

Investigations Manager

**Regulatory Investigations Unit** 

Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7044 (office)

tylerr@oic.wa.gov

From: Mince, Mike (OIC)

Sent: Friday, March 29, 2019 2:20 PM

**To:** Robbins, Tyler (OIC) **Subject:** Case update

Tyler,

Please send Toni an update on both the HII case and the Health Care Ministries case on Monday when you return. CC me on it so I can continue to track these also please.

Thanks,



## Mike Mince

Operations Manager, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360.725.7179 (office) mikem@oic.wa.goy From: Churchill, Harvey (OIC)

To: Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

Cc: <u>Bullington, Jessica (OIC)</u>
Subject: HII documentation

**Date:** Wednesday, April 3, 2019 8:11:10 AM

Attachments: <u>image001.png</u>

## Good Morning,

If you are bored feel free to have a look at HII response to a request for documentation regarding 220 random files selected by the OIC.

You can find it here.



# Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarveyC@oic.wa.gov

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 707 of 761 PageID 1109

From: <u>Jacobs, Daniel (OIC)</u>

To: Pasarow, Sofia (OIC); Robbins, Tyler (OIC)

Subject: Re: LA Times article on HII and NBOA

Date: Tuesday, April 2, 2019 9:28:00 AM

Attachments: <u>image001.pnq</u>

https://www.latimes.com/politics/la-na-pol-trump-shortterm-health-insurance-consumer-problems-20190402-story.html



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 708 of 761 PageID 1110

From: <u>Jacobs, Daniel (OIC)</u>

To: Colman, Darryl (OIC); Tribe, Christine (OIC); Churchill, Harvey (OIC)

Subject: Re: Phone call from Florida attorney on [probably] one of the HII cases

**Date:** Friday, March 29, 2019 1:36:00 PM

Attachments: <u>image001.png</u>

## Darryl:

I received a voicemail during my lunch break from Robby Birnbaum, an attorney in Florida, from the same firm as the attorney who represented Mr. Lynch in his case. Mr. Birnbaum had questions about "some of the revocation orders coming out" but did not specify which one, or who his client is. Because we have sent out revocation orders on multiple HII cases this week, I currently don't know which SIMBA case the entry should go in, so I called Mr. Birnbaum and left him a message, where I told him that, without the order number or him identifying who his client is, I cannot speak to him about the case until I know what case he is talking about.

Just wanted to keep everyone in the loop, and once I found out which case he is talking about, I will put the entries in SIMBA accordingly.



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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Insurance Consumer Hotline 1.800.562.6900 www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts From: <u>Jacobs, Daniel (OIC)</u>

To: Pace, Josh (OIC); Tribe, Christine (OIC)

Subject: RE: NHH Revocation Order

Date: Wednesday, March 27, 2019 1:52:00 PM
Attachments: image002.png

image002.png image003.png image005.png

Both Palterovich and Goldin are having their licenses revoked, their revocation orders are on the S drive and should go out tomorrow with the NHH order as well.

Health Plan Intermediaries is not getting revoked,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Pace, Josh (OIC)

Sent: Wednesday, March 27, 2019 1:50 PM

To: Jacobs, Daniel (OIC)

Subject: RE: NHH Revocation Order

Daniel, are you going to be revoking the licenses for Palterovich, Goldin, or Health Plan Intermediaries for your case #1536283? I don't want to delete the calendar reminder if you still plan to issue orders against them. Additionally, if you aren't going to take action, I need to note that on their entity assignment. Please let me know. Thanks.



#### Josh Pace

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.qov

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From: Pasarow, Sofia (OIC)

Sent: Wednesday, March 27, 2019 1:16 PM

To: Pace, Josh (OIC) < loshuaP@oic.wa.gov>; Jacobs, Daniel (OIC) < DanielJ@oic.wa.gov>; Tribe, Christine (OIC)

<<u>ChrisT@OIC.WA.GOV</u>>

Subject: RE: NHH Revocation Order

Josh,

The revocation order for NHH is ready for final review. If you prepare the order to be sent tomorrow, Daniel and I will sign today as we will be at a training tomorrow.

Thank you for your assistance. Please let us know if you have any questions.

S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\DRAFT Order Revoking License (Nat'l Health Hub & Llanes 1536283)1.docx Sincerely,



#### Sofia Pasarow

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Jacobs, Daniel (OIC)

Sent: Wednesday, March 27, 2019 1:05 PM

To: Tribe, Christine (OIC) < <a href="mailto:ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV</a>; Pasarow, Sofia (OIC) < <a href="mailto:SofiaP@oic.wa.gov">SofiaP@oic.wa.gov</a>

Subject: RE: NHH Revocation Order

Looks good to me,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

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From: Tribe, Christine (OIC)

**Sent:** Wednesday, March 27, 2019 11:20 AM **To:** Pasarow, Sofia (OIC) < <u>SofiaP@oic.wa.gov</u>> **Cc:** Jacobs, Daniel (OIC) < <u>DanielJ@oic.wa.gov</u>>

Subject: RE: NHH Revocation Order

Hi Sofia,

I have completed my review of the DRAFT Consent Order and made a few edits in track changes. I listed you instead of Daniel as the assigned attorney when I assigned the Order number because it only let me add one of you. Please let me know if you would like that changed.

I used the following:

Violation Type: Unauthorized/Unlicensed

Order Summary: Licenses revoked for representing that an insurance policy was produced by a licensed producer when, in

fact, an unlicensed person solicited, negotiated, or sold such policy, acting as an agent of an insurer without being appointed, failing to affiliate producers acting on its behalf, knowingly accepting insurance business from a person who is required to be licensed and is not so licensed, aiding and abetting another in the operation of an unlicensed discount plan organization, representing an unauthorized insurer, failing to make a good faith effort to determine whether the entity issuing coverage is authorized to transact insurance or health coverage in this state, failing to disclose compensation in writing to the insured prior to the sale of the policy, failing to retain written disclosure signed by the insurance producer for five (5) years, and demonstrating fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility. The Licensees violated WAC 284-17-473; RCW 48.155.020(1); RCW 48.155.130(2); RCW 48.15.020(2)(a); RCW 48.17.067(1); RCW 48.17.160(1); RCW 48.17.270(3); RCW 48.17.270(4); RCW 48.17.270(5); RCW 48.17.530(1)(b); RCW 48.17.530(1)(h); RCW 48.17.530(1)(l); justifying the revocation of their licenses under RCW 48.15.020(3); RCW 48.17.530(1); RCW 48.17.530(2).

Let me know if you would like something else.

The link below didn't work for me so I'm not sure it will work for you. If not, the Order is in the Nat'l Health Hub #2 file indicated in the link below.

Let me know when you have finished your review and then it is ready for Josh to do last review before you both sign it. Thanks,

Chris



## Christine M. Tribe

Partitegal
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255
Washington State Office of the Insurance Commissioner
360.725,7061
ChrisT@oic.wa.gov

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From: Pasarow, Sofia (OIC)

**Sent:** Tuesday, March 26, 2019 4:24 PM **To:** Tribe, Christine (OIC) < <a href="mailto:ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV">ChrisT@OIC.WA.GOV</a> **Cc:** Jacobs, Daniel (OIC) < <a href="mailto:DanielJ@oic.wa.gov">DanielJ@oic.wa.gov</a>

Subject: FW: NHH Revocation Order

## Chris,

Daniel and I have finished working on the revised order for NHH. Please let us know if you have any questions during your final review.

Thank you for the assistance.

S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\DRAFT Order Revoking License (Nat'l Health Hub & Llanes 1536283)1.docx

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

 From:
 Jacobs, Daniel (OIC)

 To:
 Pace, Josh (OIC)

**Subject:** RE: 1528309 - Question About Entity Assigned to Case

**Date:** Tuesday, March 26, 2019 9:08:00 AM

Attachments: image003.png image004.png

#### No we are not, Nor Unified Life for that matter,



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

#### **Protecting Insurance Consumers**

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From: Pace, Josh (OIC)

Sent: Tuesday, March 26, 2019 9:07 AM

To: Jacobs, Daniel (OIC)

Subject: 1528309 - Question About Entity Assigned to Case

Daniel, are you going to be taking any action against Health Plan Intermediaries Holdings, LLC on this case?



#### **Josh Pace**

Legal Assistant 1, Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 (360) 725-7172 JoshP@oic.wa.gov

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 713 of 761 PageID 1115

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 RE: other HII case link

**Date:** Wednesday, March 20, 2019 4:16:00 PM

Attachments: <u>image001.png</u>

# S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: <u>Jacobs, Daniel (OIC)</u>

To: Robbins, Tyler (OIC); Pasarow, Sofia (OIC); Hood, Toni (OIC)

Subject: Re: HII under scrutiny by House Democrats on Energy Commerce Committee

**Date:** Thursday, March 14, 2019 10:40:00 AM

Attachments: <u>image001.png</u>

 $\underline{https://energycommerce.house.gov/newsroom/press-releases/ec-launches-investigation-into-companies-that-sell-or-broker-junk-health}$ 

Letter to HII specifically:

 $\underline{https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/Gaving\%20Southwell\%20Letter.pdf\ Letters\ were\ sent\ to:$ 

- Agile Health Insurance (also an HII company)
- Anthem
- Arkansas Blue Cross Blue Shield
- Blue Cross Idaho
- Cambia Health Solutions
- eHealth
- Everest
- Healthcare Solutions Team
- Independence Holding Company
- National General Accident & Health
- UnitedHealth Group



## **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

## **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

From: Tribe, Christine (OIC)
To: Jacobs, Daniel (OIC)

Subject: Health Plan Intermediaries 1528309

Date: Wednesday, March 13, 2019 5:12:00 PM

Attachments: <u>image001.png</u>

## Hi Daniel,

I have prepared draft Orders for Petersen, Stinson, Jaxtheimer, Donisi/Donisi Jax, Inc. and they are ready for your review. I expect you will have lots of edits. I wasn't sure about which violations applied in each case so I took my best shot. I'm sure you will have lots of edits.

You will find them in the S:\drive Health Plan Intermediaries file.

Let me know when you are ready for me to review your edits.

Thanks,

Chris



# Christine M. Tribe

Paralegal
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255
Washington State Office of the Insurance Commissioner
360.725.7061
ChrisT@oic.wa.gov

## **Protecting Insurance Consumers**

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From: Bullington, Jessica (OIC)

To: Pasarow, Sofia (OIC); Jacobs, Daniel (OIC)

**Subject:** HII Survey

**Date:** Thursday, March 7, 2019 1:01:04 PM

Attachments: <u>image001.png</u>

## https://www.surveymonkey.com/results/SM-82DY9TMTV/

If you want you can review results as they come in by clicking the link above. The password is OIC2019hii



# Jessica Bullington

Legal Affairs Division

Senior Investigator Regulatory Investigations Unit

Washington State Office of the Insurance Commissioner

PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

## Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

 From:
 Pasarow, Sofia (OIC)

 To:
 Colman, Darryl (OIC)

 Subject:
 FW: HII Survey

**Date:** Thursday, March 7, 2019 11:16:20 AM

Attachments: image001.png image002.png
Importance: High

#### Darryl,

Some of the questions were changed since your last review. Here is the link in case you have any edits. Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Bullington, Jessica (OIC)

Sent: Thursday, March 7, 2019 10:25 AM

To: Robbins, Tyler (OIC); Churchill, Harvey (OIC)

Cc: Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

**Subject:** HII Survey **Importance:** High

I made a few minor changes. You can all review it at the link below.

Tyler - Will you please review it and let me know if you are ok with it going out the way it is? <a href="https://www.surveymonkey.com/r/HIISurvey">https://www.surveymonkey.com/r/HIISurvey</a>



#### **Jessica Bullington**

Senior Investigator Regulatory Investigations Unit Legal Affairs Division

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PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782

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#### Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

From: <u>Jacobs, Daniel (OIC)</u>

To: <u>Bullington, Jessica (OIC)</u>; <u>Robbins, Tyler (OIC)</u>; <u>Churchill, Harvey (OIC)</u>

Cc: <u>Pasarow, Sofia (OIC)</u>
Subject: RE: HII Survey

**Date:** Thursday, March 7, 2019 10:29:00 AM

Attachments: <u>image001.png</u>

## Looks good to me! Thanks Jessica!



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

# **Protecting Insurance Consumers**

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From: Bullington, Jessica (OIC)

**Sent:** Thursday, March 7, 2019 10:25 AM

**To:** Robbins, Tyler (OIC); Churchill, Harvey (OIC) **Cc:** Jacobs, Daniel (OIC); Pasarow, Sofia (OIC)

**Subject:** HII Survey **Importance:** High

I made a few minor changes. You can all review it at the link below.

Tyler - Will you please review it and let me know if you are ok with it going out

the way it is?

https://www.surveymonkey.com/r/HIISurvey



## Jessica Bullington

Senior Investigator Regulatory Investigations Unit

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## Protecting insurance consumers

Insurance Consumer Hotline 1.800.562.6900

## Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 719 of 761 PageID 1121

From: Bullington, Jessica (OIC)

To: <u>Jacobs, Daniel (OIC)</u>; <u>Pasarow, Sofia (OIC)</u>

Subject: FW: HII draft questions

Date: Thursday, March 7, 2019 9:39:33 AM

Attachments: image001.png

Below are the questions for the HII survey that will go out today. The survey will open today and close on 3/22.

From: Robbins, Tyler (OIC)

Sent: Monday, March 4, 2019 1:12 PM

To: Churchill, Harvey (OIC) < <a href="mailto:HarveyC@oic.wa.gov">HarveyC@oic.wa.gov">HarveyC@oic.wa.gov</a>>; Bullington, Jessica (OIC) < <a href="mailto:JessicaB@oic.wa.gov">JessicaB@oic.wa.gov</a>>

Cc: Lee, Brandon (OIC) < BrandonL@oic.wa.gov>

**Subject:** HII draft questions

All:

After meeting with Darryl, these are the small changes we want to make to the questions. None of these changes impact the substance of the questions. Feel free to set up the survey and launch. Toni is anxious to get this one done.

Q: As far as you know, was the coverage that you
purchased an Affordable Care Act ("ACA") plan?
A (multiple choice): Yes; No; I thought it was but
it turned out that it was not
Q: Why did you join an association when
purchasing the coverage through HII?
A (multiple choice): I was told had to join the
association in order to get the coverage; I wanted
to be a member of the association; I didn't join an
association; Other (please specify)
Q: In addition to the insurance, did you buy other
products and services along with it?
A (multiple choice): Yes (please explain what you
bought, and why); No
No changes
No changes
No changes

Thanks,

# Tyler Robbins

Investigations Manager
Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner



360-725-7044 (office) tylerr@oic.wa.gov

From: Bullington, Jessica (OIC)
To: "Avery, LaShawn"
Subject: RE: Your File: 1593742

**Date:** Friday, March 1, 2019 3:09:00 PM

Attachments: <u>image001.png</u>

# Thank you!



# **Jessica Bullington**

Senior Investigator Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner PO Box 40255

Olympia, WA 98504-0255 Phone: 360.725.7259 Fax: 360.664.2782 JessicaB@oic.wa.gov

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### **Protecting insurance consumers**

Insurance Consumer Hotline 1.800.562.6900

**From:** Avery, LaShawn [mailto:LaShawn.Avery@AmericanNational.com]

**Sent:** Friday, March 1, 2019 2:19 PM

**To:** Bullington, Jessica (OIC) **Subject:** Your File: 1593742

I have attached an acknowledgement letter for your review.

Your File: 1593742 Our File: 31538



LaShawn P. Avery, AIRC Senior Corporate Complaint Coordinator Corporate Relations and Compliance Standard Life and Accident Insurance Company One Moody Plaza

Galveston, Texas 77550 Phone: 800.392.0644

Email: <u>ComplaintCompliance@americannational.com</u>

Fax: 409.766.6933

American National has changed its email addresses to <u>FirstName.LastName@AmericanNational.com</u>. Please update my email address in your contact list, if applicable, at your earliest convenience.

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 From:
 Robbins, Tyler (OIC)

 To:
 Colman, Darryl (OIC)

Subject: RE: Random survey questions, HII

Date: Thursday, February 28, 2019 3:50:00 PM

Attachments: image001.png

#### Darryl:

Here are the original HII questions, with my proposed revisions for your input:

Q: Was the coverage that you purchased	Q: As far as you know, was the coverage that you
compliant with the Affordable Care Act	purchased compliant with the Affordable Care Act
("ACA")?	("ACA")?
A (multiple choice): Yes; No; I thought it was	A (multiple choice): Yes; No; I thought it was but
but it turned out that it was not	it turned out that it was not
Q: Why did you join an association when	Q: Why did you join an association when
purchasing the coverage through HII?	purchasing the coverage through HII?
A (multiple choice): I had to join the association	A (multiple choice): I was told had to join the
in order to get the coverage; I wanted to be a	association in order to get the coverage; I wanted
member of the association; I didn't join an	to be a member of the association; I didn't join an
association; Other (please specify)	association; Other (please specify)
Q: In addition to the insurance, did you want	<b>Q:</b> In addition to the insurance, did you buy other
non-insurance products and services?	products and services along with it?
A (multiple choice): Yes; No	A (multiple choice): Yes (open field to further
	explain); No
<b>Q:</b> When you purchased the coverage, were you	No changes
able to review the documents electronically	
prior to signing your name?	
A (multiple choice): Yes; No	
Q: When you signed electronically to purchase	
the coverage, did you sign your name more	
than one time?	
A (multiple choice): Yes; No	
Q: Is there anything else that you would like the	
OIC to be aware of?	
A (open-ended)	

I'll follow up with a 30 minute meeting for next week shortly, to discuss and get this survey out. Thanks,



# **Tyler Robbins**

Investigations Manager

**Regulatory Investigations Unit** 

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office)

tylerr@oic.wa.gov

From: Churchill, Harvey (OIC)

**Sent:** Tuesday, February 26, 2019 5:21 PM **To:** Robbins, Tyler (OIC); Colman, Darryl (OIC)

Cc: Bullington, Jessica (OIC)

Subject: Random survey questions, HII

Here are the questions Jessica and I have come up with for the survey:

We should try to do yes/no questions or multiple choice. Examples:

Q: Was the coverage that you purchased compliant with the Affordable Care Act ("ACA")?

A: Yes; No; I thought it was but it turned out that it was not

Q: Why did you join an association when purchasing the coverage through HII?

A: I had to join the association in order to get the coverage; I wanted to be a member of the association; I didn't join an association; Other (please specify)

Q: In addition to the insurance, did you want non-insurance products and services?

A: Yes; No

Q: When you purchased the coverage, were you able to review the documents electronically prior to signing your name?

A: Yes: No

Q: When you signed electronically to purchase the coverage, did you sign your name more than one time?

A: Yes; No

Q: Is there anything else that you would like the OIC to be aware of?

Please review, we would like to keep it as simple as possible, non-leading, and address the misrepresentation and rates charged issues.

Thanks, in advance, for your assistance,

Harv



# Harvey Churchill, CFE

Senior Investigator, Regulatory Investigations Unit, Legal Affairs Washington State Office of the Insurance Commissioner 360-725-7045 (office)
HarvevC@oic.wa.gov

#### **Protecting Insurance Consumers**

 From:
 Pasarow, Sofia (OIC)

 To:
 Colman, Darryl (OIC)

 Cc:
 Jacobs, Daniel (OIC)

 Subject:
 NHH Cases at PEG

**Date:** Monday, February 25, 2019 4:13:48 PM

Attachments: image001.png

#### Darryl,

During our last status meeting, you requested I send you an email regarding the NHH case I am presenting at tomorrow's PEG meeting. The case assigned to me (Simba #1448834) was referred with several entities: Health Plan Intermediaries Holdings LLC (DBA Health Insurance Innovations and Agile Health Insurance), National Health Hub LLC, Jose Rodriguez, and Shawn Allen.

In tomorrow's meeting, I have recommended enforcement against NHH and NHH's DRLP (Samuel A. LLanes). I did not include Jose Rodriguez or Shawn Allen in my recommendation, however, the PEG Committee might consider it.

The consumer reported she spoke with "Shawn Allen" when she purchased an insurance policy from NHH. However, Jose Rodriguez was the named producer on the insurance policy. NHH reported to investigations that Rodriguez no longer worked for NHH. Jose Rodriguez reported that Shawn Allen was a false name of Pedro Rivera, who sat close to Rodriguez at NHH and it was a practice of NHH to use unlicensed people to sell insurance. Investigations did not contact Shawn Allen or Pedro Rivera. The only contact information for Shawn Allen listed in SIMBA and the Investigative Report is the address of NHH. For these reasons, I did not list Shawn Allen/Pedro Rivera in my PEG recommendation.

In regards to Rodriguez, he was interviewed by Investigations. He initially signed a letter NHH sent to Investigations, but later told Investigations he had made a mistake by signing it in error and he had not sold the insurance policy at issue. He reported he was fired by NHH in retaliation for his involvement in the OIC investigation. The consumer stated she spoke with "Shawn Allen" and never spoke with Rodriguez. Rodriguez was listed as the producer of some of the unauthorized products sold by NHH through HII, however, the excel sheet was gathered after the NHH investigation. As a result, Rodriguez was not interviewed regarding these other insurance policies. The consumer has corroborated Rodriguez's position that he did not sell the policy at issue. For this reason, it is unclear whether he actually sold the other insurance policies in the HII excel sheet where he is listed as producer. Shawn Allen/Pedro Rivera was not listed in the HII excel sheet, most likely because he is an unlicensed producer. For these reasons, I did not list Rodriguez in my PEG recommendation. I will be discussing the case tomorrow at PEG and explaining my thought process for my recommendation. I have attached the PEG memo I submitted to present. Please let me know if you have any additional questions or would like me to clarify anything for the meeting.

S:\Open Cases\Health Innovations, Nat'l Health Hub LLC, Rodriguez, Jose R. et al 1448834\DRAFT PEG memo (National Health Hub).docx

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Pasarow, Sofia (OIC)

To: Colman, Darryl (OIC); Jacobs, Daniel (OIC)

**Subject:** HII related cases

**Date:** Friday, February 22, 2019 8:29:33 AM

Attachments: image001.png

#### Hello all,

Attached are the final reports of the related cases. These are the earliest cases. For today's meeting, please briefly glance at the reports and review the allegations/substantiated violations.

S:\Open Cases\Health Innovations, Nat'l Health Hub LLC, Rodriguez, Jose R. et al 1448834\Final Reports of Related Cases Thank you for meeting today.

Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 726 of 761 PageID 1128

 From:
 Jacobs, Daniel (OIC)

 To:
 Andrus, Suzanne (OIC)

 Cc:
 Tribe, Christine (OIC)

Subject: Re: PEG memo 1528309 for presentation 2/26/19

Date: Tuesday, February 19, 2019 8:28:00 AM

Attachments: <u>image001.pnq</u>

#### Suzi:

Here is the PEG memo for presentation next week, S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\peg.memo.draft.12.4.18.docx

#### Thanks!



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

# **Protecting Insurance Consumers**

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 727 of 761 PageID 1129

From: <u>Jacobs, Daniel (OIC)</u>

To: Churchill, Harvey (OIC); Pasarow, Sofia (OIC); Tribe, Christine (OIC)

Subject: Re: Revisions to HII Peg memos

Date: Friday, February 15, 2019 11:57:00 AM

Attachments: <u>image001.png</u>

Just an FYI, I already talked to Sofia and Chris about these, but I'm revising the recommendations for the two HII peg cases:

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan)

1528309\peg.memo.draft.12.4.18.docx

S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\peg.memo.12.5.18.docx



### **Daniel Jacobs**

danieli@oic.wa.gov

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

# **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 728 of 761 PageID 1130

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 Re: HII Peg memos

**Date:** Thursday, February 14, 2019 3:22:00 PM

Attachments: <u>image001.png</u>

S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\peg.memo.12.5.18.docx S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\peg.memo.draft.12.4.18.docx



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 729 of 761 PageID 1131

From: <u>Jacobs, Daniel (OIC)</u>
To: <u>Tribe, Christine (OIC)</u>

**Subject:** Re: HII Peg memos edited - need to get to Suzi by 2/19

**Date:** Thursday, February 14, 2019 3:21:00 PM

Attachments: <u>image001.png</u>

#### Chris:

These are the revised versions of my 2 PEG memos for the HII cases, hopefully these are much better than the prior versions you've seen:

S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\peg.memo.12.5.18.docx

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan)

1528309\peg.memo.draft.12.4.18.docx

They are deliberately very similar,

Thanks,



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danieli@oic.wa.gov

# **Protecting Insurance Consumers**

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From: Robbins, Tyler (OIC)

To: <u>Churchill, Harvey (OIC)</u>; <u>Bullington, Jessica (OIC)</u>

Cc: <u>Lee, Brandon (OIC)</u>
Subject: Agentra and HII

**Date:** Thursday, February 14, 2019 3:00:00 PM

Attachments: image001.png

Some statutes that might be helpful in determining misleading advertising, related to Agentra and HII: 284-50-050 to 284-50-230; especially <u>284-50-050</u> and <u>284-50-060</u>.

These might not technically be "disability" policies, but they fall under the same umbrella as far as determining misleading advertisements.

Thanks,



# **Tyler Robbins**

Investigations Manager
Regulatory Investigations Unit
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7044 (office)

tylerr@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 731 of 761 PageID 1133

From: Jacobs, Daniel (OIC)

To: Pasarow, Sofia (OIC)

Subject: Re: HII podcast episode transcript
Date: Tuesday, February 12, 2019 3:00:00 PM

Attachments: <u>image001.pnq</u>

https://www.gimletmedia.com/reply-all/135-the-robocall-conundrum#episode-player



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

# **Protecting Insurance Consumers**

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 732 of 761 PageID 1134

From: <u>Jacobs, Daniel (OIC)</u>

To: Churchill, Harvey (OIC); Pasarow, Sofia (OIC)

Subject: Re: Harlan/HII PEG revised memo link included

Date: Thursday, February 7, 2019 4:22:00 PM

Attachments: <u>image001.png</u>

So I've worked on the memo to make it flow a little better, but let me know if you both think the fact section and my explanation makes sense.

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\peg.memo.draft.12.4.18.docx

#### Thanks,



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

# **Protecting Insurance Consumers**

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 From:
 OConnell, Pam

 To:
 Robbins, Tyler (OIC)

 Subject:
 RE: HII and Agentra

**Date:** Wednesday, January 16, 2019 3:05:14 PM

Attachments: image001.pnc

Thank you very much, Tyler. It was very helpful to hear from you and all of your OIC colleagues today. We appreciate your time and assistance!

Pam

#### Pam O'Connell

Chief, Market Conduct Division California Department of Insurance 300 Capitol Mall, 16<sup>th</sup> Floor Sacramento, California 95814 (916)492-3599

From: Robbins, Tyler (OIC) [mailto:TylerR@oic.wa.gov]
Sent: Wednesday, January 16, 2019 2:33 PM

**To:** OConnell, Pam **Subject:** HII and Agentra

Pam:

I've attached the notice of investigation we sent HII requesting information; hopefully you find it helpful. Below, you'll also find a brief email I sent to our Legal folks regarding Agentra. As I mentioned, we suspect it's doing the very same activities as HII, albeit on a smaller scale. Our request to Agentra is also attached, for your reference.

Thanks,



### **Tyler Robbins**

Investigations Manager
Regulatory Investigations Unit
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7044 (office)
tylerr@oic.wa.gov

From: Robbins, Tyler (OIC)

Sent: Monday, January 7, 2019 3:02 PM

To: OIC DL Legal < OICDLLegalAffairs@oic.wa.gov>

Subject: Heads up - Agentra

All:

We have an open investigation against producer Agentra, LLC (WAOIC # 785935). We suspect Agentra is doing something very similar to HII, in that it is essentially cobbling together various unauthorized supplemental policies to create a patchwork product, which it then offers through producers. As with HII, we have received a few complaints about one or more of these supplemental components, but the real issue is Agentra – not the underwriters of the supplemental products or the producers who sell them. We have identified Agentra sold at least 4,229 unauthorized products, underwritten by insurers, from 2016 to present, as follows:

• Self-Insured MEC - 2,146

o Administered by Hawaii Mainland Administrators (Waiting on agreement from Agentra)

• Midlands AD&D - 590

o Group surplus lines policy o Agentra is policyholder

Colonial Life – 539

o Appears to be tied to American Association of Independent Contractors (AAIC) membership

- o Appears to be unauthorized; Accident (314) and Critical Care (225) o Request for information sent on 12/19/2018. Response is due 01/11/2019.
- First Continental Life & Accident Company 451
  - o Revoked 02/11/2003
  - o Bright Idea Dental
  - o Request for information sent on 12/19/2018. Response is due 01/11/2019.
- Rx Valet 216
  - o Request for information sent on 12/19/2018. Response is due 01/11/2019.
- Data Rx 168
  - o Administered by Equipoint Partners (Waiting on agreement from Agentra)
- Boston Mutual 96
  - o Unauthorized products Case on BML substantiated and closed
- Transamerica 13
  - o Unauthorized products Case on TLIC substantiated and closed
- Ameritas 9

Possible violations are as follows:

- Charging premium rates beyond what underwriter are charging. For example, Agentra collected approximately \$2.9 million in premiums (etc.) for the 4,229 products, but only \$1.1 million went to the underwriters. Why is Agentra retaining nearly 66% of the premiums?
- Using unaffiliated or unlicensed producers
- Selling unauthorized products
- Possibly misrepresenting its patchwork policies as ACA-compliant

In addition to Agentra, there will be spin-off cases involving the insurers who underwrote the policies which are not authorized for sale, too.

Thanks,



#### **Tyler Robbins**

Investigations Manager
Regulatory Investigations Unit
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7044 (office)
tylerr@oic.wa.gov

 From:
 Robbins, Tyler (OIC)

 To:
 Steele, Gynger

 Subject:
 RE: Information Sharing

**Date:** Monday, January 14, 2019 8:42:00 AM

Attachments: <u>image001.png</u>

I'll send you brief talking points about HII, Agentra and a title case.

#### Thanks,



# **Tyler Robbins**

tylerr@oic.wa.gov

Investigations Manager

**Regulatory Investigations Unit** 

Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7044 (office)

From: Steele, Gynger

**Sent:** Friday, January 11, 2019 5:02 PM **To:** Colman, Darryl (OIC); Robbins, Tyler (OIC)

**Subject:** Information Sharing

Hi guys – I will be attending the interdivisional meeting next Wednesday. Is there information you'd like me to pass on to the other divisions (i.e. topics/companies to watch out for, fun facts about your work, stats, etc.)? Please give me something – make it up if you must ③ - I'd like to have something to report from each of us. Thanks much!

#### **Gynger Steele**

Operations Manager Legal Affairs Washington State Office of the Insurance Commissioner PO Box 40255, Olympia WA 98504-0255

MS-40255 (360)725-7179 From: Jacobs, Daniel (OIC)
To: Pasarow, Sofia (OIC)
Subject: Re: HII financial disclosure

**Date:** Friday, December 28, 2018 9:17:00 AM

Attachments: <u>image001.pnq</u>

# http://investor.hiiquote.com/static-files/421d137d-232a-4bdc-9d0b-26b364b70933

Read page 11, it's a letter from this investor to HII; it's amazing



# **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danielj@oic.wa.gov

# **Protecting Insurance Consumers**

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From: Tribe, Christine (OIC)
To: Jacobs, Daniel (OIC)

Subject: RE: Re: Ameritas SIMBA 1582647 - CC memo link included

**Date:** Thursday, December 27, 2018 4:23:29 PM

Attachments: <u>image001.png</u>

#### Hi Daniel.

I've completed my review of your CC memo and made proposed edits in track changes for your review and consideration. You can access it using the link below. I'm not sure if WAC 284-17-443 applies as it is addressing renewals; maybe check with Darryl. I added WAC 284-17-429 for possible consideration.

Also, I corrected "from" to "form" as I believe it was a typo in the referral. Let me know what you think.

Thanks,

Chris



# Christine M. Tribe

Paralegal
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255
Washington State Office of the Insurance Commissioner
360.725.7061
ChrisT@oic.wa.gov

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From: Jacobs, Daniel (OIC)

Sent: Wednesday, December 26, 2018 1:37 PM

**To:** Tribe, Christine (OIC)

Subject: Re: Ameritas SIMBA 1582647 - CC memo link included

Hi Chris!

Hope your Christmas was enjoyable and resting! Here is the Ameritas CC memo, this is the one that was originally referred to Ross but got transferred to me because of its relationship to the HII cases

S:\Open Cases\Ameritas Life Insurance Company 1582647\DRAFT CC memo (Ameritas).docx

Thanks!



### **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 738 of 761 PageID 1140

From: Jacobs, Daniel (OIC)

To: Pasarow, Sofia (OIC)

Subject: Re: FTC complaint shows how they do the signatures - Re: HII

Date: Wednesday, December 19, 2018 11:49:00 AM

Attachments: <u>image001.pnq</u>

https://www.ftc.gov/system/files/documents/cases/simple\_health\_plans\_complaint\_11-2-18.pdf

Look at page 20



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 739 of 761 PageID 1141

From: Jacobs, Daniel (OIC)
To: Pasarow, Sofia (OIC)
Subject: Re: HII blog article

**Date:** Tuesday, December 18, 2018 4:13:00 PM

Attachments: <u>image001.png</u>

#### More rabbit holes

http://www.aureliusvalue.com/research/hiiq-boiler-rooms-worthless-policies-and-defrauded-families/



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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 From:
 Robbins, Tyler (OIC)

 To:
 Gaines, Ned (OIC)

 Subject:
 RE: LifeShield

**Date:** Tuesday, December 18, 2018 9:34:00 AM

Attachments: image001.png

#### Got it. Thanks!



### **Tyler Robbins**

Investigations Manager

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office) tylerr@oic.wa.gov

From: Gaines, Ned (OIC)

Sent: Tuesday, December 18, 2018 9:34 AM

**To:** Robbins, Tyler (OIC) **Subject:** RE: LifeShield

Tyler,

No, we don't have anything. Upon taking a closer look we confirmed that the policies sold are hospital indemnity plans that are filed and approved. There are questions as to how HII is marketing the policies though. They may be representing them as STM plans. Of course the Company is able to provide signed disclosures that confirm the enrollee understood what type of policy they purchased. Whether this is true is the big question.

From our perspective the Company is compliant so once again it falls back to the actions of HII.



# **Ned Gaines**

Chief Market Analyst CIE, MCM, CICSR, AIC, AINS, ACS Washington State Office of the Insurance Commissioner 360.725.7216

nedg@oic.wa.gov

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The contents of this email pertain to a Market Conduct Oversight activity under Chapter 48.37 RCW and are confidential per RCW 48.37.080.

From: Robbins, Tyler (OIC)

**Sent:** Tuesday, December 18, 2018 9:30 AM **To:** Gaines, Ned (OIC) < NedG@oic.wa.gov>

Subject: LifeShield

Ned:

Do you folks have anything going on LifeShield? You mentioned you may refer it to us. If I remember rightly, there was concern their supplemental policies were, in fact, not supplemental at all. Based on what we have from HII, they've sold 1283 policies from January 2016 – October 2018 and collected \$969,546.77 in premiums from this product.

Thanks,

# **Tyler Robbins**

Investigations Manager
Regulatory Investigations Unit



Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7044 (office)
tylerr@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 742 of 761 PageID 1144

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 HII mentioned in NYT article

**Date:** Tuesday, December 18, 2018 8:45:00 AM

Attachments: <u>image001.pnq</u>

https://www.nytimes.com/2018/08/06/us/politics/trump-short-term-health-plans.html



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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From: Robbins, Tyler (OIC)

To: Bullington, Jessica (OIC); Churchill, Harvey (OIC)

Cc: Lee, Brandon (OIC)

Subject: HII

**Date:** Thursday, December 13, 2018 4:40:00 PM

Attachments: <u>image001.png</u>

All:

### 1. Goal - what do we want from this investigation?

Produce a comprehensive report which accomplishes three things:

- Leads to a successful enforcement action that will extract a proportionally appropriate fine from HII for various violations. Revocation by itself is not a desirable outcome.
- Provides a substantive foundation for referral to an agency with more resources and jurisdiction (e.g. AG, FTC).
- Provides a substantive foundation for referral to all 50 state Dols for possible investigation.

#### 2. Scope:

Here is my understanding of how we propose to focus the investigation concerning HII:

Initial Scope	Initial Scope Scope Now			Discussion		
Selling unauthorized products	VS.	Selling unauthorized products and using associated unfiled forms	+	We have the info we need for this regarding numbers. We need to get detailed info about each product, then detailed declarations from appropriate SMEs which explain whether each product is an insurance product which needs to be approved by OIC.  Please have number of products and associated total premium collected for each for 18 Dec meeting.		
Using unfiled forms	VS.	Using unaffiliated and/or unlicensed producers	+			
Using unaffiliated producers	VS.		+			
Deliberate misrepresentation of insurance products	VS.		+			
Undisclosed compensation	VS.		+			
Issues with association; (1) misrepresenting association fees as something else and (2) misusing the association umbrella to issue group policies	VS.	Issues with association; (1) misrepresenting association fees as something else and (2) misusing the association umbrella to issue group policies	+			
	VS.	Padding costs to consumers over and above underwriter's filed premium rates.	+	Approx. 34,5000 policies. We propose to take a random sample of 20 from each of the 11 quarters for which we have info.		

A few questions:

- How does the unaffiliated and/or unlicensed producers tie back to HII? It seems like it's more a problem

for the agencies/companies who employed or contracted the local producers.

- I'm assuming the "padding" issue only ties back to the approved products (e.g. STM)? It seems like it'd be difficult to pad the premium for a product that's not even authorized for sale in WA. Am I right?

#### 3. Going forward ...

I'll propose we confine our efforts beyond HII to the entities underwriting the unauthorized products. I don't think it's the best use of our resources to go after contracted producers and/or producer agencies further down the line.

#### 4. What think ye?

Let me know what you think. I suggest I begin the meeting with a very high-level overview of the proposed scope, with a quick show and tell with the data. Then, turn the floor to any questions for Harv and Jessica to answer, and attorney input. This is essentially a sales pitch, with us proposing a scope and focus. If we don't come to the meeting with concrete proposal for moving forward, it will degenerate into chaos. I expect they'll go with our recommendations.

After the meeting, I'll follow-up with some pretty PowerPoint pie charts for Toni to show at Deputies, so ya'll can get on with the investigation. My goal is to keep you two out of this as much as possible, and run interference with Toni.

Thanks,



#### Tyler Robbins

Investigations Manager

Regulatory Investigations Unit

Legal Affairs Division

Washington State Office of the Insurance Commissioner

360-725-7044 (office)

tvlerr@oic.wa.gov

 From:
 Steele, Gynger

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Tribe, Christine (OIC)

Subject: RE: Re: 1536283 - Goldin/Palterovich/Everest - HII case performance measures

**Date:** Monday, December 10, 2018 7:19:49 AM

Attachments: <u>image001.png</u>

Done ©

#### **Gynger Steele**

**Operations Manager** 

**Legal Affairs** 

Washington State Office of the Insurance Commissioner

PO Box 40255, Olympia WA 98504-0255

MS-40255

(360)725-7179

From: Jacobs, Daniel (OIC)

Sent: Friday, December 7, 2018 1:54 PM

**To:** Steele, Gynger **Cc:** Colman, Darryl (OIC)

**Subject:** Re: 1536283 - Goldin/Palterovich/Everest - HII case performance measures

Hi Gynger:

SIMBA 1536283 was scheduled to be presented at next week's PEG, but there needs to be a bit more investigation done, and so after meeting with Toni and Darryl yesterday, they've agreed that this matter should be closed and reopened for performance measure purposes so it can be presented in February when we have all the information we need to move forward. Please let me know if you have any questions,

Sincerely,



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danieli@oic.wa.gov

# **Protecting Insurance Consumers**

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 From:
 Jacobs, Daniel (OIC)

 To:
 Steele, Gynger

 Cc:
 Colman, Darryl (OIC)

**Subject:** Re: 1528309 Donisi Jax - HII closing and reopening for performance measures

**Date:** Friday, December 7, 2018 1:36:00 PM

Attachments: <u>image001.png</u>

#### Gynger:

After meeting with Toni yesterday about the HII cases, she wants investigations to do a bit more ground work, but the SIMBA case is due at the end of December for performance measures. I've already gotten the go ahead from Darryl, but would you be able to close and reopen this case for performance measure purposes?

I'll be sending another email asking for the same thing on 1536283, the other HII producer case.

#### Thanks,



### **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

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From: Robbins, Tyler (OIC)

To: Hood, Toni (OIC); Colman, Darryl (OIC)

Cc: <u>Andrus, Suzanne (OIC)</u>

Subject: HII

Date: Thursday, December 6, 2018 4:58:00 PM

Attachments: <u>image001.png</u>

#### All:

HII responded, provided documents, and we'll be prepared for our discussion on 17 December (or whichever date it's eventually scheduled).

#### Thanks,



# **Tyler Robbins**

Investigations Manager
Regulatory Investigations Unit

Legal Affairs Division Washington State Office of the Insurance Commissioner 360-725-7044 (office)

tylerr@oic.wa.gov

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 748 of 761 PageID 1150

From: Jacobs, Daniel (OIC) To: Churchill, Harvey (OIC) Subject: Re: HII Peg Memos attached

Date: Thursday, December 6, 2018 8:21:00 AM

Attachments: image001.png

### For your reading pleasure

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\peg.memo.draft.12.4.18.docx S:\Open Cases\Nat'l Health Hub #2 (Nelson) 1536283\peg.memo.12.5.18.docx

Sincerely,



# OFFICE of the **INSURANCE** COMMISSIONER

### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

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# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 749 of 761 PageID 1151

 From:
 Jacobs, Daniel (OIC)

 To:
 Pasarow, Sofia (OIC)

 Subject:
 Re: Link to HII Peg memo

**Date:** Wednesday, December 5, 2018 4:47:00 PM

Attachments: <u>image001.pnq</u>

You mentioned you wanted to take a look at it

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan) 1528309\peg.memo.draft.12.4.18.docx



# **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

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From: <u>Tribe, Christine (OIC)</u>
To: <u>Jacobs, Daniel (OIC)</u>

Subject: RE: Re: 1528309 PEG draft memo link included

Date: Wednesday, December 5, 2018 3:56:00 PM

Attachments: <u>image001.png</u>

Hi Daniel,

I've completed my review and saved it in the S:\drive file. I used track changes for suggested edits.

Thanks,

Chris



# Christine M. Tribe

Paralegal Legal Affairs Division PO Box 40255

Olympia, WA 98504-0255

Washington State Office of the Insurance Commissioner

360.725.7061 ChrisT@oic.wa.gov

# **Protecting Insurance Consumers**

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From: Jacobs, Daniel (OIC)

Sent: Wednesday, December 5, 2018 11:43 AM

To: Tribe, Christine (OIC)

Subject: Re: 1528309 PEG draft memo link included

Sorry this is getting to you a little later than I promised, the second one should be done by

around 1:30-2ish

S:\Open Cases\Health Plan Intermediaries Holdings dba HII (Harlan)

1528309\peg.memo.draft.12.4.18.docx



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danieli@oic.wa.gov

# **Protecting Insurance Consumers**

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### Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 751 of 761 PageID 1153

From: Gaines, Ned (OIC)

To: Pasarow, Sofia (OIC); Haworth, John (OIC); Robbins, Tyler (OIC)

Cc: <u>Jacobs, Daniel (OIC)</u>

Subject: RE: LifeShield National Insurance Company
Date: Monday, December 3, 2018 5:10:06 PM

Attachments: <u>image001.png</u>

Hi Sofia,

After looking into what the Company is selling here the issue does not appear to be on the Company's side but with the producer (HII). The product is not a STM policy but a hospital indemnity policy and it is filed and approved. It appears that the producers are presenting the product to consumers as a STM medical plan. The big question is what exactly does the consumer see when they are e-signing the disclosure documents and application. Do they see the explanation of what they are really purchasing or is that part hidden with only limited info and a signature box?

I'm in the manager training for the next two days but will be back in the office late afternoon on Wednesday if you need anything else.

Thanks.

Ned



#### **Ned Gaines**

Chief Market Analyst CIE, MCM, CICSR, AIC, AINS, ACS Washington State Office of the Insurance Commissioner 360.725.7216

nedg@oic.wa.gov

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The contents of this email pertain to a Market Conduct Oversight activity under Chapter 48.37 RCW and are confidential per RCW 48.37.080.

From: Pasarow, Sofia (OIC)

Sent: Monday, December 3, 2018 3:56 PM

To: Gaines, Ned (OIC); Haworth, John (OIC); Robbins, Tyler (OIC)

Cc: Jacobs, Daniel (OIC)

Subject: RE: LifeShield National Insurance Company

Ned.

Do you have an update involving this matter? I apologize if you sent information and I have somehow missed it. Sincerely,



#### **Sofia Pasarow**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
360-725-7181 (office)
SofiaP@oic.wa.gov

From: Gaines, Ned (OIC)

Sent: Thursday, October 25, 2018 10:47 AM

To: Haworth, John (OIC) < John Haw@OIC.WA.GOV >; Robbins, Tyler (OIC) < Tyler @oic.wa.gov >; Pasarow, Sofia (OIC)

<<u>SofiaP@oic.wa.gov</u>>

Subject: FW: LifeShield National Insurance Company

FYI

Robert Solano in CAP received a call today from a consumer who said that she purchased a STM plan through HII and she is now discovering that none of her local providers will accept it. The plan was underwritten by LifeShield National Insurance

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 752 of 761 PageID 1154

Company. This company does not have approved R&F filings for a STM plan in WA. They did file a plan back in June 2016 but it was eventually withdrawn in February 2017. Unfortunately, the consumer is not filing a complaint so we won't be able to get a copy of the policy.

I know it is not a lot to go on but I wanted to share since we are meeting about this topic next week. I do think an inquiry with LifeShield National is warranted. That is something we can do in MCO if there are no objections.

Thanks!

Ned



#### **Ned Gaines**

nedg@oic.wa.gov

Chief Market Analyst CIE, MCM, CICSR, AIC, AINS, ACS Washington State Office of the Insurance Commissioner 360.725.7216

# **Protecting Insurance Consumers**

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The contents of this email pertain to a Market Conduct Oversight activity under Chapter 48.37 RCW and are confidential per RCW 48.37.080.

From: Solano, Robert (OIC)

**Sent:** Thursday, October 25, 2018 10:24 AM **To:** Gaines, Ned (OIC) < NedG@oic.wa.gov>

Subject: RE: LifeShield National Insurance Company

She did not give a date, but yes, I am assuming it was recently as she is now discovering no providers will accept the plan.



#### **Robert Solano**

Functional Program Analyst 3
Washington State Office of the Insurance Commissioner
(360) 725-7094 (office)
RobertS@oic.wa.gov

### **Protecting Insurance Consumers**

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From: Gaines, Ned (OIC)

Sent: Thursday, October 25, 2018 10:17 AM
To: Solano, Robert (OIC) < RobertS@OIC.WA.GOV >
Cc: Galloway, Wendy (OIC) < WendyG@OIC.WA.GOV >
Subject: RE: LifeShield National Insurance Company

Hi Robert,

Thanks for the information. Did she indicate when she purchased the policy? I'm assuming it was fairly recent.



#### **Ned Gaines**

Chief Market Analyst CIE, MCM, CICSR, AIC, AINS, ACS Washington State Office of the Insurance Commissioner 360.725.7216

nedg@oic.wa.gov

#### www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

The contents of this email pertain to a Market Conduct Oversight activity under Chapter 48.37 RCW and are confidential per RCW 48.37.080.

From: Solano, Robert (OIC)

**Sent:** Thursday, October 25, 2018 9:23 AM **To:** Gaines, Ned (OIC) < NedG@oic.wa.gov>

**Cc:** Galloway, Wendy (OIC) < <u>WendyG@OIC.WA.GOV</u>> **Subject:** LifeShield National Insurance Company

Ned:

Just an FYI, I received a call today from a consumer who purchased a short term medical plan through Health Insurance Innovations (HII). She states the plan is underwritten by LifeShield. She was concerned because she could find a provider who would take the plan. I see LifeShield National is licensed, however, I could not find any short term medical forms filed and approved.



### **Robert Solano**

Functional Program Analyst 3 Washington State Office of the Insurance Commissioner (360) 725-7094 (office) RobertS@oic.wa.gov

#### **Protecting Insurance Consumers**

# Case 3:21-cv-01542-S-BK Document 18-2 Filed 08/09/21 Page 754 of 761 PageID 1156

From: Andrus, Suzanne (OIC)
To: Robbins, Tyler (OIC)

Cc: Bullington, Jessica (OIC); Churchill, Harvey (OIC)

**Subject:** HII Pre-meeting items

**Date:** Thursday, November 29, 2018 3:36:02 PM

Attachments: <u>image001.png</u>

#### Hello,

Toni would like you to get the updated information about HII (before the meeting on Thursday) from Jessica and Harvey. Please send me a copy of the information and I will send it out to everyone and get a hard copy to Toni.

Thank you,



# **Suzi Andrus**

Administrative Assistant to Toni Hood Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7130

suzannea@oic.wa.gov

# **Protecting Insurance Consumers**

Insurance Consumer Hotline 1.800.562.6900

www.insurance.wa.gov | twitter.com/WA\_OIC | wainsurance.blogspot.com | email/text alerts

 From:
 Jacobs, Daniel (OIC)

 To:
 Andrus, Suzanne (OIC)

 Subject:
 RE: ART Agenda

Date: Thursday, November 29, 2018 8:41:00 AM

Attachments: <u>image001.png</u>

#### Hi Suzi:

I'm so sorry to do this so last minute, but Sofia and I encountered an issue towards the end of yesterday after you sent this out that I wanted to bring up today, please feel free not to redo the ART agenda, and I'll just bring it up, but if you were to add it as an item, it would be:

Attorney Representation re: HII cases – Sofia and Daniel

#### Thanks!



# **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

# **Protecting Insurance Consumers**

*Insurance Consumer Hotline 1.800.562.6900* 

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**From:** Andrus, Suzanne (OIC)

**Sent:** Wednesday, November 28, 2018 4:13 PM

**To:** Andrus, Suzanne (OIC); Hood, Toni (OIC); Jacobs, Daniel (OIC); Krech, Dawn (OIC); Pace, Josh (OIC); Pasarow, Sofia (OIC); Steele, Gynger; Tribe, Christine (OIC); Valore, Ross (OIC); Range, Ellen (OIC)

Subject: ART Agenda

Hello,

Please see attached Attorney Round Table Agenda.

Thank you,



#### Suzi Andrus

Administrative Assistant to Toni Hood Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7130

suzannea@oic.wa.gov

# **Protecting Insurance Consumers**

*Insurance Consumer Hotline 1.800.562.6900* 

 From:
 Steele, Gynger

 To:
 Jacobs, Daniel (OIC)

 Cc:
 Tribe, Christine (OIC)

Subject: RE: Re: 1536283 SIMBA Entity change Date: Friday, November 16, 2018 4:06:54 PM

Attachments: <u>image001.png</u>

#### Done©

#### **Gynger Steele**

**Operations Manager** 

Legal Affairs

Washington State Office of the Insurance Commissioner

PO Box 40255, Olympia WA 98504-0255

MS-40255

(360)725-7179

From: Jacobs, Daniel (OIC)

Sent: Friday, November 16, 2018 4:02 PM

**To:** Steele, Gynger **Cc:** Tribe, Christine (OIC)

Subject: Re: 1536283 SIMBA Entity change

Hi Gynger:

Similar to yesterday with the other HII case, can you please add the following entities to SIMBA 1536283:

- Mark Palterovich, WAOIC 921188
- Serena Rae Goldin, WAOIC 926664
- Samuel Llanes, WAOIC 852038
- National Health Hub, LLC, WAOIC 939239

#### Thanks so much!



# **Daniel Jacobs**

Insurance Enforcement Specialist
Legal Affairs Division
Washington State Office of the Insurance Commissioner
PO Box 40255 Olympia, WA 98504-0255
360-725-7264
danieli@oic.wa.gov

# **Protecting Insurance Consumers**

*Insurance Consumer Hotline 1.800.562.6900* 

From: Jacobs, Daniel (OIC)
To: Steele, Gynger

Subject: RE: Re: SIMBA 1528309 - Entity change

Date: Thursday, November 15, 2018 4:43:00 PM

Attachments: image001.png

image002.png image003.png

#### Looks perfect! Thanks so much!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264 danielj@oic.wa.gov

### **Protecting Insurance Consumers**

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From: Steele, Gynger

Sent: Thursday, November 15, 2018 4:43 PM

To: Jacobs, Daniel (OIC)

Subject: RE: Re: SIMBA 1528309 - Entity change

Your request have been completed. Here are the entities (found on the "summary" tab in SIMBA) that are now assigned to the case:

Entity Assignment					
Entity Name					
Donisi Jax, Inc					
DONISI, CHARLES C					
Health Plan Intermediaries Holdings, LLC.					
JAXTHEIMER, EVAN					
PETERSEN, CHRISTOPHER J					
STINSON, EDWARD LEE					

You will see this (below) on the "entities" tab. I am not able to remove "United" or "Health Insurance Innovations" because they were created in another division (Consumer Advocacy). You will see this frequently within cases (incorrect entities) because when calls come in, staff fielding the calls are doing their best to identify the appropriate companies/producers. I am happy to discuss this if it is unclear. ©

Entity Information Add Ent							
Entity Type	Name A	WAOIC #	Divisions Assigned				
<u>Licensee</u>	Donisi Jax, Inc	946349	Legal				
<u>Licensee</u>	DONISI, CHARLES C	915722	Legal				
Other	Health Insurance Innovations		Consumer Advocacy				
<u>Licensee</u>	Health Plan Intermediaries Holdings, LLC.	813017	Investigation, Legal				
<u>Licensee</u>	JAXTHEIMER, EVAN	915737	Legal				
<u>Licensee</u>	PETERSEN, CHRISTOPHER J	923748	Legal				
Licensee	STINSON, EDWARD LEE	915736	Legal				
Company	UNIFIED LIFE INSURANCE COMPANY	227539	Consumer Advocacy				

#### **Gynger Steele**

**Operations Manager** 

Legal Affairs

Washington State Office of the Insurance Commissioner

PO Box 40255, Olympia WA 98504-0255

MS-40255 (360)725-7179

From: Jacobs, Daniel (OIC)

Sent: Thursday, November 15, 2018 3:41 PM
To: Steele, Gynger < Gynger S@oic.wa.gov >
Cc: Tribe, Christine (OIC) < ChrisT@OIC.WA.GOV >
Subject: Re: SIMBA 1528309 - Entity change

Hi Gynger:

So that email last week when I said some of the entities on my HII cases needed to be changed. This is that email, at least about SIMBA 1528309, which currently has Unified Life Insurance, HPIH, and HII.

Please remove Unified, and add the following entities:

- Christopher Petersen, WAOIC 923748
- Edward Stinson, WAOIC 915736
- Evan Jaxtheimer, WAOIC 915737
- Charles Donisi, WAOIC 915722
- Nationwide Health Advisors (DBA Donisi Jax Inc, or Atlantic Health), WAOIC 946349

Please let me know if you need any other information, and I should be sending another email shortly on the other HII case I have which will clarify the entities as well,

#### Thanks!



#### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

# **Protecting Insurance Consumers**

*Insurance Consumer Hotline 1.800.562.6900* 

From:Steele, GyngerTo:Jacobs, Daniel (OIC)Cc:Tribe, Christine (OIC)

Subject: RE: Re: SIMBA 1528309 - Entity change

Date: Thursday, November 15, 2018 4:16:16 PM

Attachments: <u>image001.png</u>

I'm happy to do this Daniel – thanks for letting me know.

#### **Gynger Steele**

**Operations Manager** 

Legal Affairs

Washington State Office of the Insurance Commissioner

PO Box 40255, Olympia WA 98504-0255

MS-40255

(360)725-7179

From: Jacobs, Daniel (OIC)

Sent: Thursday, November 15, 2018 3:41 PM

**To:** Steele, Gynger **Cc:** Tribe, Christine (OIC)

Subject: Re: SIMBA 1528309 - Entity change

Hi Gynger:

So that email last week when I said some of the entities on my HII cases needed to be changed. This is that email, at least about SIMBA 1528309, which currently has Unified Life Insurance, HPIH, and HII.

Please remove Unified, and add the following entities:

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- Evan Jaxtheimer, WAOIC 915737
- Charles Donisi, WAOIC 915722
- Nationwide Health Advisors (DBA Donisi Jax Inc, or Atlantic Health), WAOIC 946349

Please let me know if you need any other information, and I should be sending another email shortly on the other HII case I have which will clarify the entities as well,

#### Thanks!



### **Daniel Jacobs**

Insurance Enforcement Specialist Legal Affairs Division Washington State Office of the Insurance Commissioner PO Box 40255 Olympia, WA 98504-0255 360-725-7264

danielj@oic.wa.gov

# **Protecting Insurance Consumers**

*Insurance Consumer Hotline 1.800.562.6900* 

 From:
 Tribe, Christine (OIC)

 To:
 Jacobs, Daniel (OIC)

 Subject:
 Lynch, John 1457741

**Date:** Tuesday, November 6, 2018 5:05:10 PM

Attachments: <u>image001.png</u>

Hi Daniel,

I have assigned and Order number in the above matter and used the following:

Violation Type: Unauthorized/Unlicensed Activity (You also have the option of changing it to

Incompetent/Untrustworthy/Source of Injury or Statutory/Rule Violation)

Order Summary: \$6,000 fine for soliciting insurance business in Washington without being affiliated

with HII, failing to make good faith efforts to determine that the entities issuing coverage were authorized in the state of Washington, for demonstrating incompetence in this state or elsewhere, and soliciting discount medical plans not authorized for sale in Washington, the Licensee violated RCW 48.15.020(2)(a); RCW 48.17.067(1); RCW 48.17.530(1)(b); RCW 48.17.530(1)(h); WAC 284-17-473; RCW 48.155.020(1); RCW

48.155.130(2).

Let me know if you would like any changes.



### Christine M. Tribe

Paralegal
Legal Affairs Division
PO Box 40255
Olympia, WA 98504-0255
Washington State Office of the Insurance Commissioner
360.725.7061
ChrisT@oic.wa.gov

# **Protecting Insurance Consumers**

From: Robbins, Tyler (OIC)

To: OIC Investigation Request

Cc: Churchill, Harvey (OIC); Bullington, Jessica (OIC); Lee, Brandon (OIC)

Subject: HII

**Date:** Tuesday, November 6, 2018 11:02:00 AM

Attachments: image001.png

#### Stacey:

Please open a case against Health Plan Intermediaries Holdings, Inc. (WAOIC # 813017) for dishonest practices, and assign to Harvey. I <u>already started a folder</u> for you to move over after you open the case. Jessica and Harvey will work on it together, but Harvey will write it. There will likely be more specific allegations as we proceed, but this will do for now.

#### Thanks.



# **Tyler Robbins**

Investigations Manager
Regulatory Investigations Unit
Legal Affairs Division
Washington State Office of the Insurance Commissioner

360-725-7044 (office)

tylerr@oic.wa.gov